

[Translation]

Annual Securities Report

(The 52nd Business Term)

From April 1, 2024 to March 31, 2025

NIDEC CORPORATION

CONTENTS

Cover	1
Part I Information on the Company	2
I. Overview of the Company	2
1. Key Financial Data	2
2. History	5
3. Description of Business	8
4. Information on Affiliates	11
5. Employees	14
II. Business Overview	17
1. Management Policies, Business Environment, and Challenges	17
2. Views and Initiatives on Sustainability	22
3. Risk Factors	47
4. Management Analysis of Financial Position, Operating Results and Cash Flows	67
5. Material Agreements, etc	80
6. Research and Development	82
III. Property, Plant and Equipment	87
1. Summary of Capital Investment, etc.	87
2. Major Property, Plant and Equipment	88
3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc.	91
IV. Information on the Company	92
1. Information on the Company's Shares, etc	92
(1) Total number of shares, etc.	92
(2) Information on the share acquisition rights, etc.	92
(3) Information on moving strike convertible bonds, etc.	92
(4) Changes in the total number of issued shares, common stock, etc.	92
(5) Shareholders composition	93
(6) Major shareholders	94
(7) Information on voting rights	97
(8) Officer/employee stock ownership plans	98
2. Information on Acquisition, etc. of Treasury Stock	100
3. Dividend Policy	103
4. Corporate Governance, etc	104
(1) Overview of Corporate Governance	104
(2) Members of the Board of Directors	111
(3) Audit Status	120
(4) Remuneration etc, for members of the Board of Directors	125
(5) Status of shares held	130
V. Consolidated Financial Statements and Other Information	134
1. Consolidated Financial Statements	135
2. Others	219
VI. Share-related Administration of the Company	220
VII. Reference Information on the Company	222
1. Information on Parent Company, etc. of the Company	222
2. Other Reference Information	222
Part II Information on Guarantors, etc. for the Company	224
[Independent Auditors' Report (Translation)]	225

Cover

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[Fiscal Year]	The 52nd Business Term (from April 1, 2024 to March 31, 2025)
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[Company Name in English]	NIDEC CORPORATION
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[Contact Person]	Akinobu Samura, Senior Vice President and Chief Financial Officer
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

This is an English translation of the Annual Securities Report filed with the Director-General of the Kanto Local Finance Bureau via Electronic Disclosure for Investors' NETwork ("EDINET") pursuant to the Financial Instruments and Exchange Act of Japan.

"Part I Information on the Company, II. Business Overview, 2. Risk Factors, 5.Risks for foreign investors" is only included in this English translation of the Annual Securities Report and not included in the original report.

Certain information in "Part I. Information on the Company, V. Consolidated Financial Statements and Other Information" in this document incorporates financial statements prepared in conformity with the International Financial Reporting Accounting Standards ("IFRS Accounting") as issued by the International Accounting Standards Board instead of the English translation of the Annual Securities Report.

The translation of the Independent Auditors' Report for the original Annual Securities Report is included at the end of this document.

In this document, the terms "we", "us", "our" and "NIDEC" refer to Nidec Corporation and consolidated subsidiaries or, as the context may require, Nidec Corporation on a non-consolidated basis and the "Company" refers to Nidec Corporation on a non-consolidated basis.

References in this document to the "Financial Instruments and Exchange Act" are to the Financial Instruments and Exchange Act of Japan and other laws and regulations amending and/or supplementing the Financial Instruments and Exchange Act of Japan.

References in this document to the "Companies Act" are to the Companies Act of Japan and other laws and regulations amending and/or supplementing the Companies Act of Japan.

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data

(1) Consolidated financial data, etc.

(Yen in millions, unless otherwise stated)

Fiscal year	IFRS Accounting				
	48th business term	49th business term	50th business term	51st business term	52nd business term
Year end	March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	1,618,064	1,918,174	2,230,027	2,347,159	2,607,813
Profit before income taxes	152,937	170,032	110,435	201,669	233,309
Profit attributable to owners of the parent	121,945	135,759	36,982	124,455	164,365
Comprehensive income attributable to owners of the parent	192,671	291,328	145,905	325,712	139,424
Total equity attributable to owners of the parent	1,096,020	1,292,241	1,346,565	1,631,481	1,717,149
Total assets	2,256,024	2,678,483	2,862,749	3,159,709	3,315,293
Total equity per share attributable to owners of the parent (yen)	935.60	1,113.50	1,171.42	1,419.67	1,497.98
Earnings per share attributable to owners of the parent - basic (yen)	104.10	116.20	32.13	108.30	143.06
Earnings per share attributable to owners of the parent - diluted (yen)	-	-	-	-	-
Ratio of total equity attributable to owners of the parent to total assets (%)	48.6	48.2	47.0	51.6	51.8
Profit ratio of total equity attributable to owners of the parent (%)	12.0	11.4	2.8	8.4	9.8
Price earnings ratio (times)	64.4	41.8	101.1	28.3	17.4
Net cash provided by operating activities	219,156	94,994	143,485	320,766	284,428
Net cash used in investing activities	(100,568)	(112,597)	(164,943)	(153,553)	(147,255)
Net cash provided by (used in) financing activities	(136,191)	(64,393)	(19,238)	(181,557)	(80,193)
Cash and cash equivalents at end of year	219,524	199,655	186,098	217,005	246,239
Number of employees [Separately, average number of temporary employees]	112,551 [23,635]	114,371 [27,977]	106,592 [21,410]	101,112 [17,815]	104,285 [19,464]

(Notes) 1. Consolidated financial statements have been prepared in accordance with International Financial Reporting Accounting Standards ("IFRS Accounting").

2. Figures shown in yen in millions are rounded to the nearest million.

3. "Earnings per share attributable to owners of the parent - basic" and "Earnings per share attributable to owners of the parent - diluted" have been calculated based on figures of "Profit attributable to owners of the parent".

4. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share attributable to owners of the parent - basic" and "Total equity per share attributable to owners of the parent", the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

5. "Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect outstanding through these business terms.

6. NIDEC has finalized the provisional accounting treatment for the business combinations in the year ended March 31, 2025. As a result, figures for the year ended March 31, 2024 reflect the revision of the initial allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combinations.
7. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the 48th business term.

(2) Financial data, etc. of the Company

(Yen in millions, unless otherwise stated)

Fiscal year	48th business term	49th business term	50th business term	51st business term	52st business term
Year end	March 2021	March 2022	March 2023	March 2024	March 2025
Net sales	200,138	198,127	199,470	222,138	253,299
Ordinary profit	45,646	47,695	84,171	164,990	60,115
Net profit	41,572	45,079	77,294	135,748	55,171
Common stock	87,784	87,784	87,784	87,784	87,784
Number of issued shares (thousands of shares)	596,284	596,284	596,284	596,284	1,192,569
Total net assets	298,063	250,330	240,793	339,520	339,045
Total assets	1,307,494	1,403,315	1,471,552	1,691,144	1,801,917
Net assets per share (yen)	254.44	215.70	209.47	295.44	295.77
Dividends per share (yen) [Of the above, interim dividend per share (yen)]	60 [30]	65 [30]	70 [35]	75 [35]	60 [40]
Earnings per share - basic (yen)	35.49	38.58	67.15	118.12	48.02
Earnings per share - diluted (yen)	-	-	-	-	-
Shareholders' equity ratio (%)	22.8	17.8	16.4	20.1	18.8
Return on equity (%)	14.2	16.4	31.5	46.8	16.3
Price earnings ratio (times)	189.3	126.3	51.0	25.9	51.9
Dividend payout ratio (%)	84.5	84.2	52.1	31.7	83.3
Number of employees [Separately, average number of temporary employees]	2,568 [87]	2,511 [108]	2,176 [61]	1,964 [37]	1,714 [25]
Total shareholder return (%) [Comparative index: Dividend- included TOPIX(%)]	240.7 [142.1]	176.1 [145.0]	125.6 [153.4]	114.1 [216.8]	95.1 [213.4]
Highest share prices in each of the fiscal years (yen)	15,175	14,335	10,110	8,706	8,066 *3,311
Lowest share prices in each of the fiscal years (yen)	4,989	8,645	6,145	5,345	5,400 *2,480.5

(Notes) 1. "Earnings per share - diluted" are not presented because there were no securities with dilutive effect outstanding through this business term.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share was calculated on the assumption that the relevant stock split had been implemented at the beginning of the 48th business term. Additionally, the dividend per share for the 52nd business term consists of the interim dividend of ¥40.00 and the year-end dividend of ¥20.00, totaling ¥60.00. Taking the aforementioned stock split into account, the interim dividend would be adjusted to ¥20.00, and combined with the year-end dividend of ¥20.00, the annual dividend per share amounts to ¥40.00.

3. The highest and lowest share prices were in regards to the First Section of Tokyo Stock Exchange before April 3, 2022, and changed to the Prime Market of Tokyo Stock Exchange after April 4, 2022, also the (*) indicate the highest and lowest stock prices after ex-rights due to the stock split.

4. Since the Company's shares held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust were treated as treasury stock, in the calculation of "Earnings per share - basic" and "Net assets per share" the number of the aforementioned shares is deducted from the average total number of the Company's shares issued during each fiscal year as well as the total number of shares issued as of the end of each fiscal year.

2. History

Month/Year	History
July 1973	Established in Nishikyo-ku, Kyoto.
February 1975	Established Kameoka Plant (closed in December, 1993) in Kameoka-city, Kyoto.
April 1976	Established Nidec America Corporation in St. Paul, the U.S.
February 1984	Established Nidec Torin Corporation (currently, Nidec America Corporation) in Torrington, the U.S.
October 1984	Established the Shiga Plant (currently, Shiga Technical Center) in Echigawa-cho (now Aishou-cho), Echi-gun, Shiga.
November 1988	Listed its stock on the Kyoto Stock Exchange, and the second section of the Osaka Stock Exchange.
March 1989	Established Nidec Singapore Pte. Ltd. Took a stake in Shinano Tokki Co., Ltd.
August 1990	Established Nidec Electronics (Thailand) Co., Ltd.
February 1992	Established Nidec Motor (Dalian) Ltd. in China.
October 1992	Established Nidec Taiwan Corporation.
April 1993	Established Nidec Electronics GmbH (currently, Nidec Motors & Actuators (Germany) GmbH) in Germany.
October 1993	Established Nidec (H.K.) Co., Ltd.
February 1995	Took a stake in Kyoritsu Machinery Co., Ltd. (currently, Nidec Machinery Corporation). Took a stake in Shimpo Industries Co., Ltd. (currently, Nidec Drive Technology Corporation).
December 1995	Established Nidec Philippines Corporation.
March 1997	Took a stake in Tosok Corporation (currently, Nidec Powertrain Systems Corporation).
April 1997	Took a stake in Read Electronics Corporation (currently, Nidec Advance Technology Corporation).
May 1997	Took a stake in Kyori Kogyo Co., Ltd.
February 1998	Took a stake in Copal Co., Ltd. (currently, Nidec Precision Corporation) and Copal Electronics Co., Ltd. (currently, Nidec Components Corporation).
September 1998	Listed its stock on the first section of the Tokyo Stock Exchange. Listed its stock anew on the first section of the Osaka Stock Exchange.
October 1998	Established Shibaura Nidec Corporation (currently, Nidec Techno Motor Corporation) through a joint investment with Shibaura Engineering Works Co., Ltd. (currently, Shibaura Mechatronics Corporation) and Toshiba Corporation.
April 1999	Established Nidec Shibaura (Zhejiang) Co., Ltd. (currently, Nidec Techno Motor (Zhejiang) Co., Ltd.) in China.
December 1999	Established Nidec Korea Corporation.
March 2000	Took a stake in Y-E Drive Corporation (currently, Nidec Techno Motor Corporation), a subsidiary of YASKAWA Electric Corporation.
September 2001	Listed on the New York Stock Exchange (voluntarily delisted in May 2016).
April 2002	Established Nidec Motor (Zhejiang) Corporation in China.
June 2002	Established Nidec Motor (Dongguan) Co., Ltd. in China.
April 2003	Established Nidec (Shanghai) International Trading Co., Ltd. (currently, Nidec (Shanghai) Co., Ltd.) in China.
May 2003	Relocated its Head Office to Minami-ku, Kyoto and opened the Central Technical Laboratory.

Month/Year	History
October 2003	Took a stake in Sankyo Seiki Mfg. Co., Ltd. (currently, Nidec Instruments Corporation).
October 2005	Established Nidec Vietnam Corporation.
February 2006	Established Nidec Automobile Motor (Zhejiang) Corporation in China.
December 2006	Established Nidec Motors & Actuators by acquiring the motor and actuator business of Valeo S.A. (currently, Nidec Motors & Actuators), a French company.
February 2007	Acquired Brilliant Manufacturing Ltd. of Singapore (currently, Nidec Component Technology Co., Ltd.).
April 2007	Took a stake in Japan Servo Co., Ltd. (currently, Nidec Advanced Motor Corporation).
January 2010	Acquired the home appliance motor business of Appliances Components Companies S.p.A. of Italy. Started Nidec Sole Motor Corporation S.R.L.
February 2010	Acquired SC Wado Co., Ltd. in Thailand (currently, Nidec Die-casting Thailand Co., Ltd.).
September 2010	Established Nidec Motor Corporation by acquiring the motors & controls business of Emerson Electric Co. of the U.S.
October 2010	Established Nidec Motor (Shaoguan) Limited (currently, Nidec Motor (Shaoguan) Co., Ltd.) in China.
December 2010	Established Nidec India Private Ltd.
July 2011	Took a stake in SANYO Seimitsu Corporation, a subsidiary of SANYO Electric Co., Ltd.
December 2011	Established Nidec Precision Malaysia Sdn. Bhd. in Malaysia.
March 2012	Established SC Wado Component (Cambodia) Co., Ltd. (currently, Nidec Die-casting (Cambodia) Co., Ltd.) in Cambodia.
April 2012	Nidec-Shimpo Corporation (currently, Nidec Drive Technology Corporation) acquired the Minster Machine Company (currently, Nidec Minster Corporation) of the U.S.
May 2012	Acquired Ansaldo Sistemi Industriali S.p.A. (currently, Nidec ASI S.p.A.) of Italy.
June 2012	Opened Nidec Research and Development Center (currently, Nidec Shinkawasaki Technology Center), Japan.
September 2012	Acquired Avtron Industrial Automation, Inc. (merged into Nidec Motor Corporation in March, 2016) of the U.S.
October 2012	Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired SCD Co., Ltd. of Korea.
November 2012	Acquired Kinetek Group Inc. of the U.S.
December 2012	Took a stake in Jiangsu Kaiyu Auto Appliance (currently, Nidec Kaiyu Auto Electric (Jiangsu) Co., Ltd.) of China.
January 2014	Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired Mitsubishi Materials C.M.I. Corporation (currently, Nidec Material Corporation).
March 2014	Acquired Honda Elesys Co., Ltd. (currently, Nidec Elesys Corporation).
February 2015	Acquired Geräte- und Pumpenbau GmbH Dr. Eugen Schmidt (currently, NIDEC GPM GmbH) of Germany.
May 2015	Acquired Motortecnica s.r.l. of Italy.
July 2015	Acquired SR motor drive business of China Tex Mechanical & Electrical Engineering Ltd. (currently, Nidec (Beijing) Drive Technologies Co., Ltd.) of China.
August 2015	Acquired Arisa, S.A. (currently, Nidec Arisa, S.L.U.) of Spain.
September 2015	Acquired KB electronics, Inc. of the U.S.
	Acquired business assets of E.M.G. Elettromeccanica S.r.l. of Italy.
	Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) acquired PT. NAGATA OPTO INDONESIA.

Month/Year	History
May 2016	Acquired E.C.E. S.r.l. of Italy. Acquired ANA IMEP S.A. (currently, Nidec Global Appliance Romania S.A.) of Romania.
December 2016	Acquired Canton Elevator, Inc. of the U.S.
January 2017	Acquired Emerson Electric Co.'s motors, drives and electric power generation businesses of the U.S.
March 2017	Acquired Vamco International, Inc. of the U.S. Unified corporate brand logos of group companies to "Nidec".
July 2017	Acquired LGB Elettropompe S.r.l. of Italy.
October 2017	Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) succeeded the business of Tokyo Maruzen Industry Co., Ltd. Nidec-Read Corporation (currently, Nidec Advance Technology) acquired SV Probe Pte. Ltd. of Singapore.
November 2017	Acquired driveXpert GmbH of Germany (currently, Nidec driveXpert GmbH).
February 2018	Nidec Center for Industrial Science and Technology (currently, Nidec Keihanna Technology Center) opened its new building in Seika-cho, Soraku-gun, Kyoto.
April 2018	Acquired Genmark Automation, Inc. of the U.S.
May 2018	Established the joint venture company Nidec PSA emotors S.A. with Groupe PSA of France.
July 2018	Acquired CIMA S.p.A. of Italy.
August 2018	Acquired MS-Graessner GmbH & Co. KG of Germany.
November 2018	Took a stake in Chaun-Choung Technology Corp (currently, Nidec Chaun-Choung Technology Corporation) of Taiwan.
February 2019	Acquired Systeme + Steuerungen GmbH of Germany.
March 2019	Acquired DESCH Antriebstechnik GmbH & Co. KG (currently, Nidec DESCH Antriebstechnik GmbH & Co. KG) of Germany.
July 2019	Acquired the compressor business ("Embraco") of Whirlpool Corporation of the U.S.
October 2019	Established the joint venture company Guangzhou Nidec Auto Drive System Co., Ltd. with GAC Components Co., Ltd. of China. Acquired OMRON Automotive Electronics Co., Ltd. (currently, Nidec Mobility Corporation).
November 2019	Acquired Roboteq Inc. of the U.S.
June 2020	Acquired Delta compressor business of Secop Austria GmbH.
January 2021	Established Nidec Electric Motor Serbia LLC and Nidec Elesys Europe LLC in Serbia.
August 2021	Acquired Mitsubishi Heavy Industries Machine Tool Co., Ltd. (currently, Nidec Machine Tool Corporation).
February 2022	Took a stake in OKK Co., Ltd. (currently, Nidec OKK Corporation).
December 2022	Established the joint venture company Nidec Energy AS with FRYER BATTERY AS of Norway.
February 2023	Acquired PAMA S.p.A. of Italy.
March 2023	Nidec Copal Electronics Corporation (currently, Nidec Components Corporation) acquired Midori Precisions Co., Ltd.
June 2023	Established Nidec Aerospace LLC as a joint venture with Embraer S.A., a Brazilian aircraft manufacturer.
July 2023	Acquired Houma Armature Works of the U.S.
August 2023	Acquired Automatic Feed Company (currently, Nidec Automatic Feed Company) and two affiliated companies of the U.S.
November 2023	Acquired Takisawa Machine Tool Co., Ltd. through TOB.
October 2024	Acquired Linear Transfer Automation Inc. and two affiliated companies of Canada.

3. Description of Business

Major businesses of our group, which is comprised mainly of the Company, 342 consolidated subsidiaries and 4 equity-method associates, are manufacturing and sales of small precision motors, automotive products, appliance, commercial and industrial products, machinery, electronic and optical components, and others.

We prepare our consolidated financial statements in accordance with IFRS Accounting. The scope of affiliates is also based on the definition of IFRS Accounting. Our segments comprise 6 reportable segments.

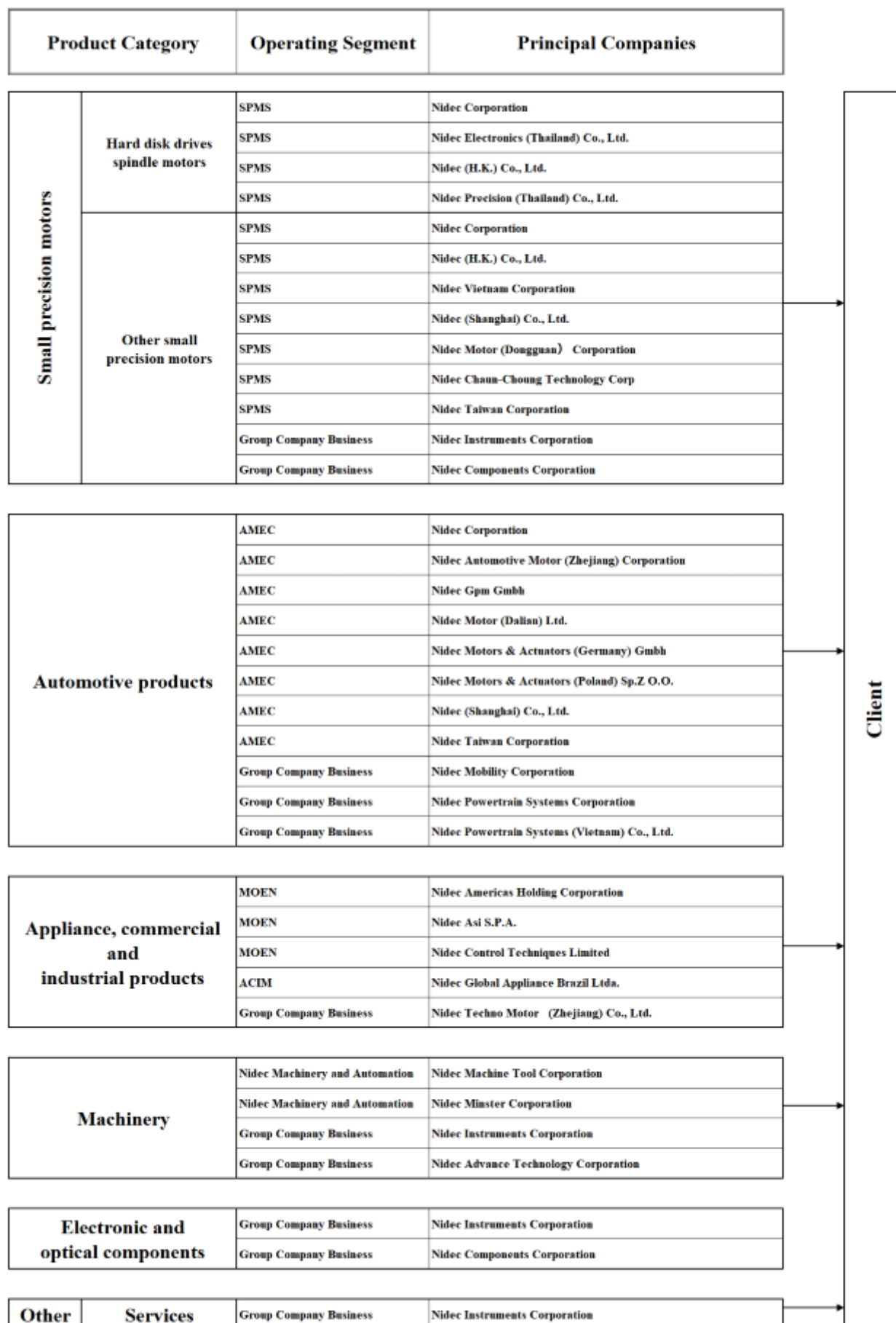
These segment categories are the same as those in the segment information in notes to consolidated financial statements in “V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, (1) Consolidated Statements of Financial Position” and segments for the year ended March 31, 2025 in all other parts in this annual securities report. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

Name	Main products	Principal companies
SPMS	Hard disk drives spindle motors and other small precision motors	Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec (H.K.) Co., Ltd., Nidec Precision (Thailand) Co., Ltd., Nidec Vietnam Corporation, Nidec (Shanghai) Co., Ltd., Nidec Motor (Dongguan) Corporation, Nidec Chaun-Choung Technology Corp, Nidec Taiwan Corporation
AMEC	Automotive products	Nidec Automotive Motor (Zhejiang) Corporation, Nidec Gpm Gmbh, Nidec Motor (Dalian) Ltd., Nidec Motors & Actuators (Germany) Gmbh, Nidec Motors & Actuators (Poland) Sp.Z O.O., Nidec (Shanghai) Co., Ltd., Nidec Taiwan Corporation
MOEN	Appliance, commercial and industrial products	Nidec Americas Holding Corporation, Nidec ASI S.P.A., Nidec Control Techniques Limited
ACIM	Appliance, commercial and industrial products	Nidec Global Appliance Brazil Ltda.
Nidec Machinery and Automation	Machinery, machine tools	Nidec Machine Tool Corporation, Nidec Minster Corporation
Group Company Business	Automotive products, appliance, commercial and industrial products, machinery, electronic components, other small precision motors and others	Nidec Mobility Corporation, Nidec Instruments Corporation, Nidec Techno Motor (Zhejiang) Co., Ltd., Nidec Powertrain Systems Corporation, Nidec Powertrain Systems (Vietnam) Co., Ltd., Nidec Advance Technology Corporation, Nidec Components Corporation

The positioning of the Company and its principal consolidated companies in relation to the product category of our group is as follows:

Product Category		Principal Companies
Small precision motors	Hard disk drives spindle motors	Nidec Corporation, Nidec Electronics (Thailand) Co., Ltd., Nidec (H.K.) Co., Ltd., Nidec Precision (Thailand) Co., Ltd.
	Other small precision motors	Nidec Corporation, Nidec (H.K.) Co., Ltd., Nidec Vietnam Corporation, Nidec (Shanghai) Co., Ltd., Nidec Motor (Dongguan) Corporation, Nidec Chaun-Choung Technology Corp, Nidec Taiwan Corporation, Nidec Instruments Corporation, Nidec Components Corporation
Automotive products		Nidec Corporation, Nidec Automotive Motor (Zhejiang) Corporation, Nidec Gpm Gmbh, Nidec Motor (Dalian) Ltd., Nidec Motors & Actuators (Germany) Gmbh, Nidec Motors & Actuators (Poland) Sp.Z O.O., Nidec (Shanghai) Co., Ltd., Nidec Taiwan Corporation, Nidec Mobility Corporation, Nidec Powertrain Systems Corporation, Nidec Powertrain Systems (Vietnam) Co., Ltd.
Appliance, commercial and industrial products		Nidec Americas Holding Corporation, Nidec ASI S.P.A., Nidec Control Techniques Limited, Nidec Global Appliance Brazil Ltda., Nidec Techno Motor (Zhejiang) Co., Ltd.
Machinery		Nidec Machine Tool Corporation, Nidec Minster Corporation, Nidec Instruments Corporation, Nidec Advance Technology Corporation
Electronic and optical components		Nidec Instruments Corporation, Nidec Components Corporation
Others		Nidec Instruments Corporation

(Business Diagram)



4. Information on Affiliates

(1) Consolidated subsidiaries

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec Electronics (Thailand) Co., Ltd.	Pathumthani Province, Thailand	USD 231,657 thousand	Small Precision Motors	100.0	Yes		Supply of products to the Company, Receipt of royalties	※ 1
Nidec Automobile Motor (Zhejiang) Corporation	Pinghu, Zhejiang, China	USD 135,966 thousand	Automotive products	100.0 (5.3)			Supply of products to the Company, Receipt of royalties	※ 1
Nidec Motor Corporation	Missouri, U.S.A.	USD 1,450,316 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)	Yes		Receipt of royalties	
Nidec Global Appliance Brazil Ltda.	Santa Catarina, Brazil	BRL 1,275,243 thousand	Appliance, Commercial and Industrial products	100.0	Yes	Loan	Receipt of royalties	※ 1
Nidec Machine Tool Corporation	Ritto, Shiga	JPY 3,000 million	Machinery	100.0	Yes	Loan	Receipt of royalties	
Nidec Instruments Corporation	Shimosuwa, Suwa-gun, Nagano	JPY 35,270 million	Small Precision Motors, Automotive Products, Machinery and Electronic parts	100.0	Yes		Receipt of royalties	※ 1
Nidec (H.K.) Co., Ltd.	Hong Kong, China	HKD 2,352 thousand	Small Precision Motors	100.0	Yes		Sales of products of the Company, Payment of commissions	※ 1
Nidec Precision (Thailand) Co., Ltd.	Thailand, Pathumthani	THB 450,000 thousand	Small Precision Motors	100.0 (100.0)	Yes			
Nidec Vietnam Corporation	Ho Chi Minh, Vietnam	USD 11,000 thousand	Small Precision Motors	100.0	Yes		Supply of products to the Company, Receipt of royalties	※ 1
Nidec (SHANGHAI) Co., Ltd.	Shanghai, China	CNY 1,655 thousand	Small Precision Motors and Automotive products	100.0 (100.0)	Yes		Payment of commissions	

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec Motor (Dongguan) Corporation	Dongguan, Guangdong, China	USD 23,000 thousand	Small Precision Motors	100.0 (37.5)	Yes		Supply of products to the Company, Receipt of royalties	
Nidec Chaun-Choung Technology Corp	New Taipei, Taiwan	TWD 863 million	Small Precision Motors	86.3	Yes	Loan		
Nidec Taiwan Corporation	Taipei City, Taiwan	TWD 5,000 thousand	Small Precision Motors	100.0	Yes		Sales of products of the Company, Payment of commissions	※ 1
NIDEC GPM GmbH	Thüringen, Germany	EUR 294,273 thousand	Automotive products	100.0 (100.0)		Loan	Receipt of royalties	※ 1
Nidec Motor (Dalian) Ltd.	Dalian, Liaoning, China	USD 76,500 thousand	Automotive products	100.0	Yes		Supply of products to the Company, Receipt of royalties	※ 1
Nidec Motors & Actuators (Germany) GmbH	BadenWürttemberg, Germany	EUR 50 thousand	Automotive products	100.0			Sales of products of the Company, Payment of commissions	※ 1
Nidec Motors & Actuators (Poland), Sp.z.o.o	Niepolomice, Poland	PLN 45,769 thousand	Automotive products	100.0 (100.0)			Receipt of royalties	
Nidec ASI S.p.A.	Lombardy, Italy	EUR 17,429 thousand	Industrial products	100.0 (100.0)			Receipt of royalties	
Nidec Control Techniques Limited	Powys, England	USD 6,185 thousand	Appliance, Commercial and Industrial products	100.0 (100.0)			Receipt of royalties	
Nidec Minster Corporation	Ohio, U.S.A.	USD 687 thousand	Machinery	100.0 (100.0)				
Nidec Mobility Corporation	Komaki, Aichi	JPY 5,000 million	Automotive products	100.0	Yes	Loan	Receipt of royalties	※ 1
Nidec Techno Motor (Zhejiang) Co., Ltd.	Pinghu, Zhejiang, China	CNY 553,944 thousand	Appliance, Commercial and Industrial products	100.0 (91.7)				
Nidec Powertrain Systems Corporation	Zama, Kanagawa	JPY 5,087 million	Automotive products	100.0	Yes		Receipt of royalties	

Name	Address	Capital	Principal business	% of voting rights interests	Relationship			
					Interlocking directorate	Funding support	Major business transaction	Others
Nidec Powertrain Systems (Vietnam) Co., Ltd.	Ho Chi Minh, Vietnam	JPY 6,263 million	Automotive products	100.0 (75.0)				
Nidec Advance Technology Corporation	Muko-city, Kyoto	JPY 938 million	Machinery	100.0	Yes	Loan	Receipt of royalties	
Nidec Components Corporation	Shinjuku-ku, Tokyo	JPY 2,362 million	Small Precision Motors, Electronic and Optical parts	100.0	Yes		Receipt of royalties	
Nidec Seimitsu Motor (Dongguan) Co., Ltd.	Dongguan, Guangdong, China	USD 7,000 thousand	Small Precision Motors	100.0 (100.0)			Supply of products to the Company	※1
Nidec Americas Holding Corporation	Missouri, U.S.A.	USD 0 thousand	Appliance, Commercial and Industrial products	100.0	Yes			※1
Nidec Precision Corporation	Itabashi-ku, Tokyo	JPY 11,080 million	Small Precision Motors, Machinery, Electronic and Optical parts	100.0	Yes		Receipt of royalties	※1
Guangzhou Nidec Auto Drive System Co., Ltd.	Guangzhou, Guangdong, China	CNY 600,000 thousand	Automotive products	51.0	Yes		Receipt of royalties	※1
Nidec OKK Corporation	Itami, Hyogo	JPY 9,023 million	Machinery	100.0 (100.0)	Yes	Loan	Receipt of royalties	※1
Nidec PSA eMotors SAS	France, Yvelines	USD 100,157 thousand	Automotive products	50.0 (50.0)				※1
Nidec Mobility Mexico S. de R.L.de. C.V.	Mexico, Guanajuato	JPY 8,968 million	Automotive products	100.0 (1.0)				※1
Other 309 companies								

(Notes) *1. Companies that fall under the definition of a specified subsidiary or "Tokutei Kogaisha". Under the Financial Instruments and Exchange Act of Japan, a subsidiary corresponds to a "Tokutei Kogaisha" when the total amount of its net sales to or the total amount of its purchases from the parent company during the period corresponding to the most recent fiscal year of the parent company are 10% or more of the total amount of the parent company's purchases or the total amount of the parent company's net sales during the same period.

Among the other companies, the company that falls under the specified subsidiary is as follows.

Nidec Europe B.V.

2. A number in the round brackets in the "% of voting rights interests" column shows the % of indirect voting interests, which is a part of the total voting interest.

(2) Associated company under the equity method

We have 4 associated companies under the equity method. We have omitted a description of them as they are immaterial.

5. Employees

(1) Consolidated basis

(As of March 31, 2025)

Name of segment	Number of employees	
SPMS	24,605	(6,560)
AMEC	11,426	(1,243)
MOEN	13,479	(475)
ACIM	18,404	(1,013)
Nidec Machinery and Automation	6,920	(644)
Group Company Business	28,319	(9,511)
Corporate	1,132	(18)
Total	104,285	(19,464)

(Notes) 1. The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

2. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. Details are stated in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, 5 Segment information".

(2) The Company

(As of March 31, 2025)

Number of employees	Average age	Average length of service	Average annual salary
1,714 (25)	42.2	13.3	7,604,284

Name of segment	Number of employees	
SPMS	612	(9)
AMEC	244	(5)
MOEN	-	(-)
ACIM	-	(-)
Corporate	858	(11)
Total	1,714	(25)

(Notes) 1. The number of employees indicates fulltime employees and the figures in round brackets are excluded from the number of employees and indicate the annual average number of temporary employees.

2. Average annual salary includes extra wages and bonuses.

3. The number of employees decreased by 250 from the end of the previous fiscal year, mainly due to transfers of some indirect manufacturing functions to overseas bases as a result of structure reforms, transfers to consolidated subsidiaries to make more effective use of human resources across the group companies, and voluntary retirement.

(3) Labor union

Labor unions have been organized at several consolidated subsidiaries at the company and its consolidated subsidiaries. The relationship between management and labor unions is favorable and there are no material facts to report.

(4) Ratio of female workers in managerial positions, percentage of male workers taking childcare leave, and difference in wages between male and female workers

i. Submitting company

Current fiscal year						
Ratio of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)			Difference in wages between male and female workers (%) (Note 1)		
	All workers	Regularly employed workers	Part-time and fixed-term workers	All workers	Regularly employed workers	Part-time and fixed-term workers (Note 3)
8.5	42.9	42.9	-	70.9	77.4	33.4

(Notes) 1. Calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees who take childcare leave, etc. under Article 71-6, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

3. Part-time and fixed-term workers include employees rehired after retirement. The Company has introduced a job type personnel system (job grade system), whereby employees are treated according to the "size of job responsibilities and duties" and the "results".

ii. Consolidated subsidiary in Japan

Current fiscal year							
Name	Ratio of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)			Difference in wages between male and female workers (%) (Note 1)		
		All workers	Regularly employed workers	Part-time and fixed-term workers	All workers	Regularly employed workers	Part-time and fixed-term workers
Nidec Instruments Corporation	1.7	22.7	22.7	-	71.7	71.8	67.1
Nidec Instruments AKITA Corporation	0.0	0.0	0.0	-	65.7	70.1	49.1
Nidec Material Corporation	0.0	50.0	50.0	-	56.4	81.1	54.5
Nidec Advance Technology Corporation	7.1	66.7	66.7	-	73.2	76.1	45.7
Nidec Drive Technology Corporation	5.2	72.7	72.7	-	75.9	79.5	60.2
Nidec Techno Motor Corporation	2.0	57.1	57.1	-	70.3	78.5	49.9
Nidec Mobility Corporation	3.2	27.3	27.3	-	55.0	75.0	40.0
Nidec Components Corporation	2.4	0.0	0.0	-	63.0	66.0	53.0
MIDORI PRECISIONS Co., Ltd.	0.0	0.0	0.0	-	60.0	88.0	66.0
Nidec Powertrain Systems Corporation	10.6	60.0	60.0	-	75.6	83.2	27.6
Nidec Precision Corporation	3.1	50.0	50.0	-	70.8	72.6	90.1
Nidec Machine Tool Corporation	3.0	53.9	53.9	-	68.3	76.5	90.5
Nidec Elesys Corporation	4.3	85.7	85.7	-	65.2	65.1	71.4
Nidec Advanced Motor Corporation	0.0	0.0	0.0	-	75.0	78.0	50.0
Nidec OKK Corporation	0.0	25.0	25.0	-	74.9	76.5	83.6
Takisawa Machine Tool Co., Ltd.	4.6	80.0	80.0	-	59.7	86.9	52.0

(Notes) 1. Calculated based on the provisions of the “Act on the Promotion of Women's Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees who take childcare leave, etc. under Article 71-6, Item 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

II. Business Overview

1. Management Policies, Business Environment, and Challenges

Forward-looking statements below were determined by NIDEC as of the end of the current fiscal year and do not guarantee the achievement.

(1) Basic management policies

We have formulated a new mid-term management plan (Conversion 2027) targeting FY2027. From FY2025 onwards, we will strongly implement three "Conversions" across key perspectives to fundamentally transform our cost structure through business restructuring, base integration, and workforce optimization, thereby improving our profit ratio.

1) "Convert" to high profit structure

Regarding variable costs, we will further reduce material costs and manufacture higher quality products through our technological superiority in addition to the shift to a highly profitable business portfolio by reviewing unprofitable and non-core businesses. In terms of fixed costs, we will implement workforce optimization primarily in indirect manufacturing functions by consolidating and closing company bases and implementing fundamental process reforms (Production, Sales, and Inventory / Material Requirements Planning, etc.). At the same time, we will ensure strategic investment of approximately 1% of sales in systems and digital transformation investments, advanced development investments, and automation investments, accelerating the establishment of a high-profit structure.

2) "Convert" to five business pillars to support the future growth

We have identified five key business areas, referred to as the "five business pillars," based on market trends and pursued synergies that go beyond functions and businesses. These areas are: (1) Base of AI society, (2) Sustainable infrastructure and energy, (3) Efficient manufacturing, (4) Better life, and (5) Mobility innovation. We will develop our business based on local production and consumption in response to local demand, operate as "One Nidec" from the customer's perspective, and gather resources.

3) "Convert" to truly global system

We will strengthen the Chief x Officer system (CxO) and streamline the executive officer structure to realize a more agile management structure. We will also create a global, lean structure by creating new positions of "Fellows" who have advanced technology, skills, and knowledge, and "Senior General Managers" who are candidates for next executive positions.

Target for a new mid-term management plan (Conversion 2027) is as follows:

FY2027

- 1) Consolidated net sales: ¥2.9 trillion
- 2) Operating profit: ¥350 billion (Operating profit rate 12%)
- 3) ROIC (Return On Invested Capital) : over 12%

(2) Business Environment and NIDEC's Medium- to Long-term Business Strategies

Business environment and NIDEC's medium- to long-term business strategies based on basic management policies are as follows.

1. Small precision motors

This segment has HDD motors business and other small motor business. HDD is mainly used in personal computers, servers and many other kinds of information-processing equipment, and the HDD motor serves as the heart of the HDDs. The HDD market for PCs is not expected to grow significantly due to the spread of new IT terminals such as tablets and smartphones. On the other hand, the shift to big data will be accelerated, as there will be increasing demands for high-quality and high-capacity of images and videos and the spread of social media and games, caused by the expansion of 5G communications. Accordingly, the increase in the demand for storage capacity is expected; thus, the demand for HDD motors for servers and other equipment is considered to be stable. In FY2024, sales increased due to the increased demand for near-line HDDs for data centers.

As for other small precision motor businesses, the motors for optical disc drives and office automation equipment, which we have been producing, is showing a mid- to long-term trend of declining demand. Therefore, we are now working on a new growth business, water-cooling modules for AI servers. The semiconductor computing units (CPU/GPU) used for AI generate a lot of heat to perform learning processes based on massive amounts of data. As AI advances, there is an increasing demand for water-cooling modules, which have significantly higher cooling capacity than air-cooling modules. We are therefore working to expand our production capacity, manufacture in-house production of parts, and develop the next-generation products. We are also working on developing motors for electric motorcycles. As well as automobiles, the wave of electrification is sweeping over electric motorcycles, and we recognize that this is a market where we can expect a significant expansion in demand for motors for drive units in the future. India is the largest market, and we are focusing our sales activities on Indian motorcycle manufacturers and already supplying to several top manufacturers. NIDEC will explore these new business opportunities in fields such as AV, IT, OA and communication equipment, home appliances, and industrial equipment, and achieve sustainable growth.

2. Automotive products

In the Automotive organic business(existing business) sector, NIDEC captures increasing demand influenced by market changes such as auto parts electrification brought by "CASE revolution." And it supplies auto motors such as electric power steering motors of the world's No. 1 market share, brake motors, and electric oil pumps and electric water pumps. In this way, NIDEC aims to acquire more market share and promote sales and profit growth. NIDEC integrates the Automotive organic (existing business) into the Appliance Commercial Industrial Motors Business Unit (ACIM) and strengthens its competitiveness by integrating operations (procurement, production, and logistics) through strong cross-functional functions in each region. In addition, Nidec Mobility and Nidec Elesys merged their operations. In the expanding fields of electronics and power control, NIDEC integrates the resources by collaborating and consolidating knowledge between them, and further strengthens its competitiveness.

In the Battery EV related business, as fierce price competition occurs in the Chinese EV market and sound competition is eroded, NIDEC implements measures against the competition in the market such as thorough cost reduction by manufacturing and component sourcing localization, development of the next generation E-Axle. On the other hand, in Europe, Nidec PSA emotors, the joint venture between NIDEC and Stellantis, started the mass production of E-Axle and its earnings began to be included in NIDEC's consolidated results in FY2024. Nidec PSA emotors is working to improve profitability by reducing material costs, outsourcing costs, and improving quality. Furthermore, we continue integration beyond organizational boundaries in the automotive business as a whole, and we will provide even more value to the market through synergies based on a consistent strategy.

3. Appliance, commercial and industrial products

It is said that motors currently account for approximately half of the world's electric power consumption, with industrial motors being the largest contributor. As a result, replacing these motors with higher-efficiency models has become an urgent task. In the appliance sector, NIDEC handles motors for washing machines, dryers, dishwashers, and compressors for refrigerators, as well as motors for compressors. Demand for highly efficient brushless DC motors is expected to grow further going forward. Additionally, the expansion of home appliance demand in emerging markets is expected in the medium term. In the commercial sector, NIDEC provides motors for air conditioners and modules for robots used in e-commerce distribution centers. In the industrial sector, NIDEC develops business primarily in markets such as agriculture, gas, mining, water and sewage, and marine industries. In particular, demand is increasing for power generators for data centers, which serve as backup power sources during power outages, as well as large motors associated with the renewal of social infrastructure. NIDEC is also focusing on the maintenance business for large motor operations as the business expands. Furthermore, there is a growing demand for Battery energy storage systems (BESS) for power generation and transmission companies in various countries. With the increase in renewable energy, NIDEC's BESS-related business is expected to experience significant growth. Another promising area is motors for eVTOL (electric vertical takeoff and landing aircraft), developed through a joint venture with Embraer, the Brazilian aircraft manufacturer, which is expected to grow alongside changes in transportation infrastructure.

4. Machinery

NIDEC Machinery and Automation Business Unit (NMAB) is mainly divided into the reducer business, press machine business, and machine tool business. In the reducer business, the labor shortage caused by declining birth rates and aging populations, particularly in developed countries, is expected to expand future demand. The use of collaborative robots in production processes is anticipated to grow, and we will focus on this area. In the press machine business, we offer a comprehensive lineup of press machines and peripheral equipment such as feeders. With production bases in Japan, the United States, Spain, and other countries, we have established a system capable of supplying a wide range of products globally on a one-stop basis. In the machine tool business, our current product portfolio includes machining centers, lathes, gear machines, and large general-purpose machine tools, enabling us to provide products and services to many customers on a one-stop basis. By developing new products and technologies, we aim to explore new markets and become the global No. 1 comprehensive machine tool manufacturer by fiscal year 2030.

5. M&A

In order to achieve the above goals, NIDEC is maximizing corporate value and pursuing further growth by combining the technologies of acquired companies with its existing technologies. In particular, NMAB is actively engaging in M&A to become the global No. 1 comprehensive machine tool manufacturer. Since entering the machine tool business with the acquisition of Mitsubishi Heavy Industries Machine Tool Co., Ltd. (Nidec Machine Tool Corporation at present) in August 2021, we have acquired OKK Corporation (Nidec OKK Corporation at present), a well-established machining center manufacturer, in February 2022; PAMA, the world's top manufacturer of boring and milling machines, in February 2023; and Takisawa Machine Tool Co., Ltd., a specialized lathe manufacturer, in December 2023. These series of acquisitions aim to expand our product lineup and increase the market share in overseas markets. Additionally, in October 2024, we acquired Linear Transfer Automation Inc. and its affiliated companies, which manufacture and sell press peripheral equipment. By integrating upstream and downstream processes with the press machines themselves, we can now offer total system solutions, which is expected to drive sales growth.

6. ESG

To ensure sustainability in each of our business operations, NIDEC has been working on improvement activities in five key materiality areas including “realizing a decarbonized society,” “respecting human rights and promoting proper labor practices,” and “securing and developing internationally competitive talent.” Those achievements are reflected in executive remuneration. As an example of our commitment to “realizing a decarbonized society,” we have set long-term goals to achieve net-zero CO2 emissions in Scope 1 and Scope 2 by FY2040, and in Scope 3 emissions across the supply chain by FY2050. To achieve the goals, we have established interim targets of reducing Scope 1 and Scope 2 emissions by 42% (compared to FY2022 levels) and Scope 3 emissions by 25% (compared to FY2022 levels) by FY2030. These interim targets have been validated by the international climate initiative, SBTi (Science-based Target initiative). We are focusing on the introduction of renewable energy, energy-saving initiatives, and the development of resource- and energy-efficient products leveraging our technology for manufacturing light, thin, short, and small products.

Going forward, in order to clarify our "mid- to long-term direction," we have identified five key business areas, referred to as the "five business pillars," based on market trends. These areas are: (1) Base of AI society, (2) Sustainable infrastructure and energy, (3) Efficient manufacturing, (4) Better life , and (5) Mobility innovation. By leveraging the strengths of NIDEC Group companies and fostering collaboration and synergy, we will aim to seize business opportunities and expand our business. At the same time, we will remain mindful of customer perspectives and demands, transcending the boundaries of existing businesses to deliver the unique strengths and value of our group.

(3) NIDEC's Challenges

1. Purpose and background of establishment of third-party committee and other internal investigations

The Company identified an issue concerning trade transactions at NIDEC FIR INTERNATIONAL S.R.L. ("FIR"), one of the consolidated subsidiaries of the Company under Appliance, Commercial and Industrial Motors Business Unit of Appliance and Automotive Division. The Company has engaged third-party experts, experienced in international trade and customs law, to investigate. As a result, it was recognized that, for certain motors manufactured by FIR, there was a possibility that erroneous declarations of country of origin had been made, which resulted in the accrual of unpaid tariffs. Based on the investigation report received, the Company proceeded with further internal investigation and consideration of this matter, in collaboration with the third-party experts. During the course of investigations on the trade transactions issues and customs issues of FIR, its Audit and Supervisory Committee was notified on July 22, 2025 by Nidec Techno Motor Corporation ("Techno"), a subsidiary of the Company, of suspected improper accounting in late September 2024 by Nidec Techno Motor (Zhejiang) Co., Ltd., the Company's Chinese subsidiary, in connection with a lump-sum payment (worth 10 million yuan, or approximately 200 million yen) representing a discount for a purchase from a supplier (the "Techno Issue"). In response to this, the Company engaged outside attorneys, certified public accountants, and other external experts to conduct internal investigations, including digital forensic procedures, in order to clarify the Techno Issue under the supervision of the Company's Audit and Supervisory Committee. The investigations found multiple documents suggesting that, in addition to Techno, the Company and its group companies could have engaged in improper accounting with the involvement or knowledge of its or their management—namely, for example, that those companies could be construed to have arbitrarily considered when to write down certain assets with risk in terms of their asset value. Given the above, the Company recognized limitations in the previous investigation system engaging external experts and led by members of the Audit and Supervisory Committee, as well as the need for objective investigations by a third-party committee independent of the Company. Accordingly, the Company decided to establish a third-party committee in compliance with the "Guidelines for Third-Party Committees in Cases of Corporate Misconduct" established by the Japan Federation of Bar Associations on September 3, 2025.

During the investigation to trade transactions issues and customs issues including digital forensic procedures described above, it has been discovered that, with respect to free-of-charge export transactions involving used goods to China during the previous fiscal years at Nidec Elesys Corporation (currently, the Inverter Business Division, the Automotive Motor & Electronic Control Business Unit, Nidec Corporation), there are suspicious cases where the reported value for customs purposes was declared to be lower than the appropriate amount without legitimate reason. The Company has commissioned an additional investigation into these cases to external experts as part of an internal investigation.

Furthermore, during the course of the internal investigations on the trade transactions issues and customs issues in FIR, the Company has discovered suspicions that appropriate measures were not taken for cases in which a Swiss consolidated subsidiary of the Company engaged in export transactions without conducting the necessary registration. In addition, the Company also identified, through a whistleblowing report, suspicions that a Chinese consolidated subsidiary of the Company conducted intentional underreporting of withholding tax. The Company is proceeding with necessary internal actions, including the confirmation of relevant facts.

(Note)

For details of the trade transaction issues of FIR, please refer to the press release dated on June 26, 2025, which is available on our website.(<https://www.nidec.com/jp/corporate/news/2025/news0626-01/>)

2. Future actions and accounting policies

The Company will fully cooperate in the third-party committee's investigations and investigations conducted by external experts as part of other internal investigations. The investigations by the Third-Party Committee and other internal investigations are ongoing. The Company will promptly design and implement recurrence prevention measures upon receiving the investigation report from the third-party committee or other internal investigations. Furthermore, should it be discovered that there exists any material misstatement that requires amendment in the Financial Statements of any previous or current fiscal year, the Company intends to

take appropriate measures, including amendments of previous or current securities reports. In such cases, the Company will promptly disclose the details of the corrections and amount of the impacts etc.

2. Views and Initiatives on Sustainability

Sustainability-minded management, in our view, opens the gateway for solid and future-proof business growth by aligning NIDEC's strategic course of action with the world's collective response to shared challenges. Some of the ongoing and emerging global risks, particularly those attributed to climate crisis and geopolitical tensions, have brought profound changes to the global economic landscape. These evolving dynamics have triggered an unprecedented reorientation of people, goods, capital and technology, forcing companies to update an understanding of people's expectations of business and its role in society.

NIDEC has identified key sustainability challenges (referred to as “materiality”) in 5 thematic areas further classified into 15 action categories and started transforming itself into a highly adaptable, more resilient international business with an ability to flexibly optimize resource allocation. NIDEC's sustainability governance framework consists of two primary committees: the Sustainability Promotion Meeting (formerly, the ESG Materiality Steering Committee) and the Sustainability Committee. The Sustainability Promotion Meeting is an executive body composed of the president and all executive officers. It is convened, in principle once every two months to discuss progress and challenges on our pathway to sustainability as well as to keep track of evolving social requirements. The outcome of the Sustainability Promotion Meeting is subject to a quarterly review by the Sustainability Committee, an oversight body consisting of a majority of outside directors. Furthermore, starting from FY2024, the Company's performance-linked stock compensation system has been revised to include, in addition to the existing financial performance indicators, a non-financial performance metrics based on the Company's ESG ratings provided by global ESG evaluation agencies (MSCI, FTSE, and CDP) to track progress achieved by the Company's directors, executives, and high-performing managers.

Material Issues for Sustainable Management



(For details on materiality, please visit the Company's website at:

<https://www.nidec.com/en/sustainability/nidec-sustainability/materiality/action/>)

Agenda items discussed in the meetings of Sustainability Committee in FY2024

	Date of Meeting	Agenda
The 1st meeting	June 2024	<ul style="list-style-type: none"> • Recommendation of new Sustainability Committee members • FY2023 results and FY2024 plan • Report on TCFD scenario analysis results • Policy for the preparation of Integrated Report 2024
The 2nd meeting	September 2024	<ul style="list-style-type: none"> • Overview and roles of the Sustainability Committee • External evaluation (initiatives to improve FTSE) • Initiatives to achieve 100% renewable energy in Europe “Introduction of V-PPA” • Compliance with the CSRD Disclosure Rules • Issuance of Integrated Report 2024
The 3rd meeting	January 2025	<ul style="list-style-type: none"> • External evaluation (latest results and improvement activities) • Materiality (securing and developing internationally competitive human resources and promoting diversity) • Outline of the planned Sustainability Meeting
The 4th meeting	March 2025	<ul style="list-style-type: none"> • External evaluation (summary of FY2024 and improvement plan for FY2025) • Materiality (FY2024 results and planned revision of material topics) • Report on Sustainability Briefing Session

(1) Approaches to Climate Change Based on the TCFD (The Task Force on Climate Related Financial Disclosures) Guidelines

Climate change can induce both positive and negative effects on NIDEC's financial position. While it has the potential to create new technological and product opportunities for NIDEC, failing to adequately address the following risks could have a significantly negative impact on the NIDEC's business activities.

Transition risk (Indirect loss risks arising from changes in policies and regulations related to climate change, technological developments, market trends, and market evaluations)

- Increases in tax burden due to a delayed response to energy transition initiatives taken by countries in which NIDEC operates, including carbon taxation and other measures aimed at achieving a decarbonized society;
- Loss of market opportunities and increases in compliance costs associated with stricter regulations applied to existing products and services, such as non-compliance with new quality standards;
- Limited availability of, or more costly access to, critical raw materials (rare minerals, steels, and other non-ferrous metals such as high-end aluminum and copper) used in electronic components amid the global shift towards electrification;
- A costly delay in the development of alternative raw materials vital for manufacturing new low-carbon products, and
- Ineffective climate change actions detrimental to corporate value, potentially resulting in a decline in investor appetite and a downgrade in credit rating.

Physical risk (Impacts on a company's physical assets, operations, and infrastructure due to changes in weather patterns and climate)

- Suspension of business activities due to frequent flood damage caused by typhoons and heavy rains;
- Restriction on business activities due to drought;
- Health hazard due to rising temperature;
- Supply chain disruptions caused by the above factors.

The Company identifies and analyzes climate-related risks and opportunities by leveraging scenario analysis in line with the recommendations of the TCFD (The Task Force on Climate-related Financial Disclosures) to understand their potential impacts on its business and thereby develop measures to deal with them.

<Governance>

The results of the foregoing climate change impact analyses are discussed at the Sustainability Promotion Meeting and, subsequently, at the Sustainability Committee before being incorporated in management strategies.

<Strategy>

Relevant executives and staff members (collectively, the “Team”) from across NIDEC’s business domains accounting for at least 95% of NIDEC’s consolidated net sales discussed the potential impacts of climate change on their businesses from diverse perspectives by conducting four-step scenario analyses as follows:

Step 1: Identify and Define Range of Scenarios

In proceeding with a scenario analysis, the Team used the following assumptions as future warming scenarios.

- Transition risk scenario (2°C/1.5°C scenario)

A world in which various measures and regulations are adopted to achieve a decarbonized society (IPCC SSP1-2.6, RCP2.6, IEA NZE)

- Physical risk scenario (4°C scenario)

A world in which a delayed, disorderly transition to a decarbonized society amplifies the consequences of climate related extreme weather events (IPCC SSP5-8.5, RCP8.5)

Time axis:

Short-term: 2025

Medium-term: 2030

Long-term: 2050

Scope: Business domains accounting for at least 95% of NIDEC’s consolidated net sales

Step 2: Identify climate change - related risks and opportunities

The Team listed climate change-related business risks and opportunities by reference to the TCFD recommendations.

Step 3: Perform business impact assessment

The Team performed climate change-related business impact assessments from three perspectives: the degree of impact, the timing of the materialization of identified risks and opportunities, and the level of urgency. The team also estimated potential financial losses incurred in connection with global adoption of carbon taxes and flood damage.

Step 4: Explore countermeasures

The Team created approaches and measures to address the specific climate change-related risks and opportunities deemed particularly relevant to NIDEC’s business operations.

(Reference) Major climate change risks, opportunities, and mitigation approaches

Climate Change-related Risks, Opportunities, and Impacts				Approaches/Actions
Transition Risks	Policy and regulatory developments	Introduction of carbon tax	Increase in manufacturing costs leading to less competitive pricing	<ul style="list-style-type: none"> •Reduction in Scope 1 emissions through measures including: LED lighting, energy-efficient facilities, switchover to low-carbon fuels, and optimization of manufacturing processes •Reduction in Scope 2 emissions through the use of renewable energy •Implementation of an internal carbon pricing system
			Increase in costs associated with adopting renewables	<ul style="list-style-type: none"> •Cost-effective adoption of renewable energy through corporate PPAs
			Increase in costs associated with purchasing oil and fossil fuel-based electricity	<ul style="list-style-type: none"> •Adoption of renewables •Use of LED lighting, energy-efficient facilities •Implementation of an internal carbon pricing system
			Increase in procurement costs due to carbon charge on raw materials	<ul style="list-style-type: none"> •Use of low-carbon materials (including recycled materials) •Product miniaturization and resource-saving •Diversification of procurement sources, •Reduction in greenhouse gas emissions in the supply chain (Scope 3)
		Strengthening fuel efficiency and ZEV regulations	Impairment of manufacturing facilities geared toward applications related to internal combustion engines	<ul style="list-style-type: none"> •Adoption of versatile designs enabling horizontal application •Repurposing underutilized manufacturing facilities for other product lines
			Intensification of market competition and price collapse due to deluge of new entrants	<ul style="list-style-type: none"> •Development of technologically advanced and competitively priced products •Achievement of economies of scale through market share expansion •Protection and utilization of intellectual property
			Intensification of procurement competition for raw materials due to the expansion of the EV market	<ul style="list-style-type: none"> •Product miniaturization and resource-saving •Research and development efforts for putting alternative materials into practical use •Vertical acquisitions •Establishment of a high-capacity supply chain •Forming long-term supply contracts
		Introduction of rare earth-related regulations	Difficulty in sourcing rare earths and increase in procurement costs	<ul style="list-style-type: none"> •Development of products free from heavy rare metals and magnets •Establishment of a high-capacity supply chain
	Technology	Impact on research and development capabilities	A delay in the development of new products	<ul style="list-style-type: none"> •Development of elemental technologies in collaboration with research institutes
		Failure of investment in new technologies	Opportunity losses resulting from product design below the required level of environmental efficiency	<ul style="list-style-type: none"> •Joint product development with customers •Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies
		Transition to low-carbon technologies	Increase in costs associated with switching to low-carbon raw materials and processes	<ul style="list-style-type: none"> •Development of smaller, lighter, and more resource-efficient products enabled by advanced miniaturization technologies •Strong emphasis on supply chain engagement
	Market	Changes in customer behavior	Suspension of business transactions resulting from failure to meet increasing customer demands for the use of renewable energy or to achieve planned reduction in CO2 emissions	<ul style="list-style-type: none"> •Use of LED lighting and energy-efficient facilities, shift toward low-carbon fuels, and optimization of manufacturing processes conducive to Scope 1 emission reduction •Reduction in Scope 2 emissions through the adoption of renewable energy •Environmental initiatives through collaboration with customers •Renewed focus on sustainability management •Enhanced information disclosure and stakeholder dialogues
		Difficulty in sourcing raw materials and an increase in procurement costs	Difficulty in sourcing steel, rare minerals, and other non-ferrous metals such as high-end aluminum and copper, collectively leading to higher procurement costs	<ul style="list-style-type: none"> •Use of recycled materials •Product miniaturization and resource-saving •Development of products free from heavy rare metals and magnets •Establishment of a high-capacity supply chain

Climate Change-related Risks, Opportunities, and Impacts				Approaches/Actions
Transition Risks	Reputation	Shift in investor interest toward sustainability-focused investment	<ul style="list-style-type: none"> • Increase in costs due to the tightening of ESG evaluation criteria and expansion of disclosure requirements • Difficulty in capital funding due to the Company's information disclosure efforts deemed insufficient by investors and financial institutions • Downgrade of the credit rating on the Company 	<ul style="list-style-type: none"> • Enhanced information disclosure and stakeholder dialogues
Physical Risks	Acute	Effects of floods, inundation, heavy rainfall, and hurricanes	<ul style="list-style-type: none"> • Factory shutdowns • Damage to fixed assets and inventory • Malfunction of infrastructure network, including electricity and water supply • Increase in costs associated with relocating production and rearranging transportation • Disruption of the supply chain • Increase in insurance premiums 	<ul style="list-style-type: none"> • Geographic dispersion of production locations • Diversification of procurement sources • Implementation of Business Continuity Plan (BCP)
	Chronic	Effects of drought, water scarcity, and changes in precipitation patterns	<ul style="list-style-type: none"> • Difficulty in securing stable water supply and shortage of factory water due to water intake restrictions • Increase in costs due to rising water prices • Factory shutdowns due to power supply-demand constraints • Constraints on raw material production and procurement capability • Increase in costs of purchasing component/parts • Deterioration of water quality due to changes in precipitation and temperature patterns 	<ul style="list-style-type: none"> • Geographic dispersion of production locations • Optimization of manufacturing processes for water-saving • Improvement in water reuse and water recycling rates
Opportunities	Products/Services	Growth in global demand for low-carbon products	<ul style="list-style-type: none"> • Mobility (E-Axle, electric power steering motors, braking motor systems, electric oil pumps, in-wheel motors, etc.) driven by the expansion of the market for electric vehicles and motorcycles • Energy efficiency (brushless DC motors, refrigerator compressors, coolant distribution units for data centers, HDD motors, high-efficiency motors for industrial use, high-performance machining equipment with high energy efficiency reducers, etc.) • Renewables (BESS, smart microgrid solutions, products related to wind and hydropower generation, small-scale power generators, machining equipment for manufacturing wind and gas turbine cases, etc.) • Alternative approaches to plastic (Can making press machines) 	<ul style="list-style-type: none"> • Enhancement of R&D efforts • Development of products with a higher level of sophistication in terms of: compactness, stiffness, resource-saving characteristics, energy-efficiency, and precision quality
		Expansion of markets for products with broader temperature tolerance	<ul style="list-style-type: none"> • Air conditioning (air-conditioner motors, air-cooled clothing fans, etc.) • Temperature-resistant machining equipment and press machines 	

Climate Change-related Risks, Opportunities, and Impacts				Approaches/Actions
Opportunities	Market	Expansion of the EV market	<ul style="list-style-type: none"> • E-Axle, electric power steering motors, braking motor systems, electric oil pumps, in-wheel motors, etc. • High-precision machining equipment 	<ul style="list-style-type: none"> • Enhancement of R&D efforts • Development of products with a higher level of sophistication in terms of: compactness, stiffness, resource-saving characteristics, energy-efficiency, and precision quality
		Advance of electrification	Cross-industry growth in demand for electricity-driven product applications	
		New product/market expansion	Expansion of markets for electric propulsion ships, electric aircraft and heat pump systems	
	Resilience	Contingency perspective of supply chain resilience	Disaster-resistant manufacturing underpinned by well-prepared BCP frameworks	<ul style="list-style-type: none"> • Establishment of a highly resilient supply chain

<Quantitative evaluation of major business impacts>

Risk	Financial Impact	Calculation method
Introduction of a carbon tax	12.4 Billion Yen	The assumed carbon price is set at 140 USD/t-CO ₂ by reference to the estimated 2030 carbon prices for developed countries provided by the IEA's "World Energy Outlook 2022." CO ₂ emissions (Scope1 and 2) are calculated based on our FY2030 emission target of 610,000 t-CO ₂ .
Flood damage	7.7 Billion Yen	<ul style="list-style-type: none"> • A comprehensive flood risk assessment based on: <ul style="list-style-type: none"> -Evaluation results using "Aqueduct," a water risk analysis tool provided by the World Resources Institute (WRI) -Sales by respective business sites -Status of business continuity plan (BCP) development • Selection of five sites with the greatest potential impact on the company's overall operations from among those identified as high risk. • Estimation of the potential financial impact, such as damage to fixed assets and inventory, and lost business opportunities due to operational suspension at all five sites, with reference to the Guidelines for Physical Risk Assessment in line with TCFD Recommendations" by the Ministry of Land, Infrastructure, Transport and Tourism, Japan.

3. Risk Management

NIDEC incorporates climate change risks into the framework of its global risk management system, which oversees the entire consolidated group. This framework manages the process from identifying and assessing risks to implementing improvement activities. For further details on the risk management system, please refer to the "II. Business Overview, Section 3. Risk Factors."

4. Indicators and Targets

NIDEC sets and manages key performance indicators and targets related to climate change initiatives under the materiality themes of "Realizing a Decarbonized Society" and "Addressing Water Risks," as outlined below:

[Realizing a Decarbonized Society]

1) Reduction in GHGs emissions from business activities

- Increase the introduction ratio of renewable energy to 40% on a consolidated basis by FY2025
- Annually disclose a climate change scenario in line with the Task Force on Climate Related Financial Disclosures (TCFD) recommendations

2) Contributing to decarbonization through products

Reduce CO₂ emissions from automobiles/motorcycles on the road through providing the following products

- EV traction motor system (E-Axle/BSG)

KPI: Cumulative total reduction from FY2020 to FY 2025: 11.7 million t-CO₂

- Electric power steering (EPS-PP/EPS) motors

KPI: Cumulative total reduction from FY2020 to FY2025: 26.261 million t-CO₂

- Electric brake booster (EBB) motors

KPI: Cumulative total reduction from FY2024 to FY2025: 10.029 million t-CO₂

- Motors for compact EVs

KPI: Annual reduction: 35,000 t-CO₂

- Motors for e-bikes

KPI: Annual reduction: 32,000 t-CO₂

[Addressing Water Risks]

- Implement water risk assessment at all production sites
KPI: 100% implementation

For details on the outcomes of each initiative and other related information, please refer to the “Seventh Mid-term Environmental Conservation Plan” and “Progress of Materiality Initiatives” sections on the Company’s website. (At present, only the FY2023 performance results are available on this webpage. The FY2024 results are to be reported by the end of December 2025.)

<https://www.nidec.com/en/sustainability/environment/environmental-management/target/>

Other climate change initiatives implemented by NIDEC include:

- Acquisition of SBT (Science Based Targets) certification for NIDEC’s 2030 CO2 emissions reduction targets and incorporated it into the 7th Mid-term Environmental Conservation Plan.
- Attainment of the highest A-List rating in the Climate Change category in the 2024 survey conducted by the international non-profit organization CDP.

<https://www.nidec.com/en/corporate/news/2025/news0207-01/>

- Participation in the COP29 Virtual Japan Pavilion.

<https://www.nidec.com/en/sustainability/cop29/>

- Implementation of an internal carbon pricing system

<https://www.nidec.com/en/sustainability/news/2025/news0910-01/>

(2) Initiatives to expand human capital

1) Human capital management in the company

For approximately 50 years since its founding in 1973, under the strong leadership of the founder, Mr. Shigenobu Nagamori, the Company has expanded and grown its business globally through both self-sustaining growth and M&A strategy and achieved net sales of over 2 trillion yen in FY2022.

The Company will enter a new stage toward the next 50 years as its second foundation, while focusing on the future business portfolio to realize its corporate philosophy and vision (“Nidec is a global company that grows sustainably for the next 100 years and beyond” and “Nidec is the world’s leading solution-providing business group that solves numerous problems for people in the world”). In order to achieve further growth globally, the Company is moving forward with new HR measures and infrastructure development to create Group synergies through One Nidec (management that creates Group synergies while optimizing the Group as a whole), instead of the conventional federal management (management that emphasizes the autonomy of individual companies and promotes growth while competing with each other even within the Group).

Specifically, under the leadership of President Mitsuya Kishida, we established three committees in FY2024 to concentrate our technological capabilities, ensure that the right people are in the right place on a global scale, and pass on “Nagamori-ism” and the “Nidec Way” (our code of conduct for all employees) to the next generation. The outline of each committee is as follows.

Three Committees

Technology Strategy Committee

The Company aims to demonstrate Group synergies by fully integrating our technological capabilities and sharing the extensive know-how accumulated across business and regional boundaries. The Company is also exploring the creation of new businesses through activities and cooperation in each technological area, with a view to discovering core competencies.

Global HR Strategy Committee

As a company with more than 100,000 employees in approximately 40 countries, dramatic growth depends on each and every employee making the most of his or her individuality and incorporating diversity into management perspectives. HR managers gather and work together across business and regional boundaries to discover, interact with, and promote the activities of our diverse talents.

All for dreams Committee

As the Company begins its second foundation period, we will concentrate our technological capabilities and globalize our operations. At the same time, it is important for our employees to pursue a “purpose” in working for the NIDEC Group, to inherit both “Nagamori-ism” and the “Nidec Way” (our code of conduct for all employees) that the Company has developed. With the participation of all employees and the formulation of our purpose, we will solidify our foundation as a leading global company.

Including the activities of these committees, as “One Nidec,” our corporate group development always focuses on the “organization” and “talents” that are at the center of it. Based on the perspective of human capital (a multifaceted perspective in terms of “soft” and “hard” aspects of HR management), our HR strategy and measures are incorporated into specific activities. The NIDEC Global HR Policy is based on the NIDEC Group's corporate philosophy, corporate slogan, and the “Nidec Way,” which are the foundation of the NIDEC Group's strengths, and summarizes our basic approach to corporate organization and talents.

<NIDEC Global HR Policy>

“For Our Future, For Our Dream” - We will continue to be an organization that is always ready to take on challenges for the future of people around the world and for our dreams.

●Organization & Talent Development Policy “Encourage Uniqueness, Respect Team Spirit”

We respect individuals who proactively demonstrate their value. We are open to diverse opinions and create new value through honest communication.

This is a policy regarding the “soft” aspects of HR affairs. Based on this policy, we promote organizational development measures to foster a culture that accepts diverse perspectives while sharing a vision and talking openly. We are also promoting organization and talent development measures that encourage employees to develop and make the most of their individuality.

●HR System Policy “Reward Based on Contributions without Bias”

Performance will always be rewarded in a correct, fair, open, and impartial manner using simple criteria, and appropriate career opportunities will be provided.

This is a policy regarding the “hard” aspects of HR affairs (measures related to systems and frameworks). Based on this policy, we develop the core systems (grading, compensation, evaluation) necessary as the company’s HR infrastructure and their associated systems and frameworks for organizational management, relocation rules, welfare benefits, etc. from a fair, transparent, and impartial perspective. We provide a variety of career opportunities based on ability and support the challenges of organizations and talents by responding appropriately to performance and results.

*The following indicators related to human capital are the figures of Nidec Corporation (as of the end of March 2025) unless otherwise stated. Figures are rounded to one decimal place.

2) Strategies for each HR domain

<Talent development strategy>

Based on the NIDEC Global HR Policy, surrounding talent development, we respect diverse personalities and encourage employees to demonstrate such personalities while providing career opportunities that reflect their actual abilities and performance. We are building a leadership pipeline through the “development of successor candidates for management and key positions”, the “development of the next generation of leaders (managers)”, and the “permeation of our corporate philosophy”. At the same time, we are promoting the early visibility, development and strengthening of talents on a global scale by promoting the “Revitalization of the Organization with Diversity.”

Development of successor candidates for management and key positions

For the Nidec Group to achieve steady growth, we place importance on the appointment of talents who understand NIDEC's unique management methods and have a solid track record for the Group’s key positions. NIDEC visualizes key positions in its group and discuss the appropriateness of the succession plans (successor development plans) among executives. At the same time, we identify potential candidates for the next generation of management talents and promote strategic early development initiatives. In addition to assigning highly difficult tasks such as corporate restructuring and promotion, we have held a “training school,” taught by the founder, aimed at instilling Nidec’s philosophy and management mindset, and the Global Business School and the Next-Generation Global Business School to provide opportunities for management candidates from Nidec Group companies around the world to acquire high-level management knowledge required of leaders of global companies.

The two business schools have so far selected participants from 14 countries around the world (Japan, the United States, Canada, Mexico, China, Thailand, the Philippines, Singapore, India, Italy, Germany, France, the United Kingdom, and Poland), and after the completion of the courses, they are working successfully as global leaders in their countries and regions.

In FY2024, the Company launched the Global HR Strategy Committee to expand the main scope of our executive development from Japan to global, and we are working to discover more talent regardless of nationality or region. In addition, on April 1, 2025, we strengthened the Chief Officer System and created new positions of Fellows and Senior General Managers. As part of our efforts to strengthen the Chief Officer System, we have established a new global headquarters system centered on CxOs and are promoting cooperation that transcends regional and business boundaries. The “Fellow” system is designed to appoint talents who have advanced technologies, skills, and knowledge, who have a clear mission to promote operations and reforms, and who contribute to the organization. The goal is to create a solid foundation that supports sustainable growth by positioning professional talents with technologies, skills, and knowledge that are important to the Nidec Group as a target for the future. For the Senior General Managers, we will select and develop the next generation of executives on a global scale by identifying candidates for future management personnel and engaging in company management from a broader perspective.

As described above, in many important positions, NIDEC's basic policy is to systematically develop and appoint internal candidates for successors, and to use internal talents to fulfill the succession plan. As a result of these efforts, the internal succession rate has increased. At the same time, as our business expands and reforms, we need to hire business-ready talents with skills and experience needed at the time and appoint them to management positions. For our business-ready talents to fully demonstrate their abilities and produce results for the Nidec Group, we are working to build a management system with diverse perspectives by disseminating our management methods and philosophy through training courses and other means provided by the founder mentioned above.

In FY2020, we established the Talent Development Committee to discuss the succession plan for key positions of the Nidec Group and other matters on a semi-annual basis. In FY2024 and beyond, however, we have incorporated the content of the former Talent Development Committee into our management meetings, with the aim of achieving more timely and appropriate discussions and decision-making. In doing so, we have made it possible for executives to discuss strategic talent development and allocation, considering the daily changes in the business environment.

Furthermore, in November 2022, NIDEC established the "Nomination Committee" as a superior committee for some of the particularly important posts, including the President of Nidec Corporation, and has established a system that leads to the appointment of management (the Members of the Board of Directors and executive officers).

Indicators for the development of successor candidates for management and key positions (Nidec Group)	FY2022	FY2023	FY2024	FY2025 Target
Internal succession rate	65.3%	84.6%	89.5%	85%
Successor readiness (ready to succeed) *Definition of readiness of executive candidates	-	59.8%	57.9%	70%
Successor readiness (ready to succeed in 1-2 years) *Definition of successor candidate readiness rate	62.1%	55.6%	60.5%	70%
Successor readiness (ready to succeed in 3-5 years)	-	40.2%	50.0%	60%

*The scope of indicators for the development of successor candidates for management and key positions is for the Nidec Group as a whole.

*Internal succession rate: Ratio of the number of internal talents appointed to key positions to the number of key positions

As of FY2024, the target for the internal succession rate for FY2025, set at 85%, has been achieved.

*Successor readiness (ready to succeed) • Readiness of executive candidates: Ratio of the number of candidates ready to succeed to the number of key positions

*Successor readiness (ready to succeed in 1-2 years) • Successor candidate readiness rate: Ratio of the number of candidates ready to succeed in 1-2 years to the number of key positions

*Successor readiness (ready to succeed in 3-5 years): Ratio of the number of candidates ready to succeed in 3-5 years to the number of key positions

As in FY2022 and 2023, we conducted a review of our key global positions in FY2024 with the aim of establishing and solidifying a succession plan for each new key position. As a result, the actual figures for successor readiness (ready to succeed) have declined.

<Development of next-generation leaders (Manager and non-Manager)>

NIDEC believes that understanding and respecting the characteristics of each employee allows individual expertise to be demonstrated, leading to improvement of NIDEC's performance and the development of candidates for future leaders. Therefore, through various talent development initiatives, we aim to enhance employees' motivation to learn autonomously and provide a wide range of learning opportunities tailored to individual needs. We continue to focus on providing learning opportunities based on the roles according to the state of their careers, as well as development initiatives and opportunities tailored to individual learning needs.

- (i) The Company conducts learning programs for managers to identify their strengths and weaknesses as leaders. Individual feedback reports created as a result of the training are shared with employees and their supervisors so that they can use them on the job.

- (ii) For non-Manager, the Company conducts a two-year youth development program for new graduates who have joined the Company and provides various types of learning programs to cultivate practical work performance and basic skills as businesspersons. During the period of these programs, in addition to training, specific development plans are formulated in the workplace, and efforts are made to develop talents through on-the-job training
- (iii) In addition to providing various learning opportunities for each level, we also provide opportunities to promote self-reflection to motivate each individual to study through career development support (career training for managers and young employees, career plan sheets, periodic one-on-one meeting, etc.).
- (iv) For employees in general, we have prepared a self-development program in which individual employees can take correspondence courses of their choice (with subsidies for those who have completed the course), and we are working to promote individual capacity building and reskilling.
- (v) In order to develop and strengthen professional talents, Nidec has introduced the “Function-based Talent Management System” starting with the administrative division, to support various experiences from the perspective of company functions and is accelerating the development of talents through workplaces and work that they should experience in the process of becoming professional talents. Including the Three Corporate Policies of Nidec, which we have cherished since our founding: “Passion, Enthusiasm and Tenacity,” “Work smart,” and “Do your work now; do it without hesitation; do it until completed,” we are refining our “Nidec Philosophy” in line with the times and instilling them in all of our employees. We are also promoting initiatives to foster a sense of unity (alignment of vectors) among employees within the diversity that we should aim for as an organization.

Scope	Indicators related to learning and development		FY2022	FY2023	FY2024	FY2025 Target
Nidec	Training hours per employee		12.9 hours	12.0 hours	14.9 hours	15 hours
			1.6 days	1.5 days	1.9 days	1.9 days
	Training costs per employee		¥13,526	¥17,409	¥17,507	¥20,000
	Career consciousness	All employees	50.2%	50.4%	52.5%	55.0%
		Male	51.2%	51.5%	52.6%	-
		Female	44.8%	44.4%	52.1%	-
Japan region	Training hours per employee		-	-	10.9 hours	-
			-	-	1.4 days	-
	Training costs per employee		-	-	¥6,019	-

*Calculation of training hours per employee and training costs per employee in Japan region began in FY2024.

*Career consciousness: The percentage of employees who answered “yes” or “slight yes” on a five-point scale to the question “Do you have a career plan in mind?” in the annual employee awareness survey “Organizational Performance Survey.”

Examples of major learning programs in FY2024

Learning program title		Number of participants	Learning hours per employee
Learning program for new employees		58	160.6 hours
Young employee development program	New employees	58	39.8 hours
	2nd year employees	67	34.7 hours
Technical skill education by type		81	7.7 hours
Education to raise the level of engineers		236	7.9 hours
MOT learning program		14	30.0 hours

*Learning program for new employees: Switch from a student to business person and practice a mindset while learning the knowledge and skills necessary for business persons.

*Young employee development program: A total of five training sessions and e-learning sessions are held within two years after new graduates join the Company to deepen their understanding of the Nidec Way, which is the Company's code of conduct, as well as basic skills for working people. Through these sessions, employees will be able to solve problems in the workplace, which will help them firmly establish the Nidec Way and basic skills for working people.

*Technical skill education by type: Learn motor technology by type (mechanical, magnetic, electrical/electronic, control, etc.) that is directly necessary for work.

*Education to raise the level of engineers: Aim to acquire a wide range of knowledge that will contribute to profits by improving quality, reducing costs, and developing products with shorter delivery times, not limited to motors.

*MOT learning program: Participants learn the concepts necessary to launch new technology-based businesses and how to formulate marketing strategies.

<Permeation of the Philosophy>

It is essential for each employee to resonate with the Nidec Group's philosophy and management policy to respect the characteristics of each employee and improve the performance of the entire Nidec Group. To achieve the steady growth of the Nidec Group, we are implementing the following initiatives to align the vectors of our employees and create an organization in which each employee can fully play his or her role.

- (i) In penetration of philosophies, we distribute “The Challenging Road,” a summary of our founder’s thoughts (NIDEC’s philosophy and way of thinking, etc.), to our employees, and instill it in them as the corporate philosophy which should be shared within the Company daily. We also provide opportunities to review the level of understanding and practice of these ideas regularly in our philosophy training, to create an organization that is aligned with our corporate culture.
- (ii) As One Nidec, we conduct an “Organizational Performance Survey” with the aim of stimulating relationships among employees and improving performance from each workplace to the entire organization so that employees can make the most of their abilities
- (iii) As an initiative for organizational development that utilizes the results of the “Organizational Performance Survey,” we have introduced “Workplace Workshops” at each workplace where employees can talk frankly with each other. We are promoting the creation of an organizational culture and structure that can promote decision-making based on a vision while respecting diverse opinions

Through these initiatives, we aim to achieve sustainable corporate growth centered on the organizations and talents that support our group.

Indicators for permeation of philosophies		FY2022	FY2023	FY2024	FY2025 Target
Penetration of the vision	All employees	80.9%	76.4%	79.2%	85.0%
	Male	80.8%	75.8%	78.0%	85.0%
	Female	81.4%	79.7%	85.7%	85.0%
Cooperation and Communication	All employees	3.66	3.66	3.70	-
	Male	3.65	3.64	3.67	-
	Female	3.70	3.78	3.88	-
Engagement	All employees	3.60	3.62	3.67	-
	Male	3.61	3.62	3.65	-
	Female	3.57	3.63	3.74	-

*Penetration of the vision: Percentage of employees who answered “yes” or “slight yes” on a five-point scale to the question “Does your workplace share the company's management philosophy and vision?” in the annual employee awareness survey “Organizational Performance Survey.”

The penetration of the vision for women reached the target of 85.0% as of FY2024.

*Cooperation and Communication: Average score on a five-point scale of 30 questions related to cooperation and communication in the “Organizational Performance Survey.”

*Engagement: Average score on a five-point scale of 19 questions related to engagement in the “Organizational Performance Survey.”

As part of our efforts to achieve our FY2025 targets, in addition to our “Permeation of the philosophy,” “Organizational Performance Survey,” and “Workplace Workshops,” we launched the “All for dreams Committee” in FY2024, for all employees to participate in surveys and other initiatives to formulate a “Purpose”. Through the activities to formulate a “Purpose”, each and every employee reexamine the meaning of and reasons for working at NIDEC. After formulating a “purpose”, employees are encouraged to communicate with a “Purpose” in order to promote the spread of the vision.

Strategy for HR Infrastructure Development

To achieve further global growth in the second foundation period, it is essential to strengthen our international competitiveness, improve productivity through the promotion of work style reforms, and strengthen our competitiveness through a thorough focus on actual performance and results. In light of global conditions, social trends, and relations with foreign countries, we are aiming to create a solid foundation (organization and talents) under One Nidec by starting to reform our HR system, particularly in Japan, where enhanced productivity is desired. As for infrastructure development, we will focus on creating a diverse organizational (workplace) culture and working environment and proceed while building the foundation for smooth daily corporate activities.

In 2019, we began studying ways to reform our HR system, and through the subsequent development of various HR measures, we are aiming to create a systematic organization and structure from the management level to general employees. This will facilitate the mobilization of talents, strengthen governance, and revitalize the organization and talents.

<HR Infrastructure Development: System>

- (i) The Company has established the “Remuneration Committee” (February 2021) and the “Nomination Committee” (November 2022) as advisory bodies to the Board of Directors (the majority of the members are Independent Outside Directors). The Company aims to ensure fairness, transparency and objectivity and further enhance the Company's corporate governance system by obtaining appropriate involvement and advice from Independent Outside Directors regarding matters such as the policy on the appointment of Directors and Executive Officers, the criteria for appointment, and the decision on candidate proposals, as well as compensation for Directors and Executive Officers.
 - (a) The Nomination Committee deliberates on policies and standards for the appointment of Directors and Executive Officers, etc., as well as on the succession plan and approach to succession plan, the proposed candidates for President, the method of selecting the President, and other matters. In FY2023, the Nomination Committee engaged in extensive discussions regarding the appointment of the president and deliberated on the matter at its meeting in February 2024, ultimately appointing Mitsuya Kishida, the current Representative Director and President CEO.
 - (b) The Remuneration Committee deliberates on matters such as the formulation of policies for determining the compensation of officers and the design of the compensation system (the setting of performance targets, the rationality of performance-linked compensation, the appropriateness of the compensation structure, and the amount of individual compensation based on the compensation system). In June 2024, the Company decided to reflect the ESG targets in the performance-linked share-based remuneration for directors (and other officers) in order to link remuneration with the Company's ESG performance. We will further strengthen Group management and Group governance to ensure stable management succession in order to strengthen the Group's global competitiveness and achieve sustainable growth and development.

- (ii) As part of our efforts to promote integrated Group management, we are working to unify the basic HR systems for grading, remuneration, and evaluations for approximately 10,000 employees, including those at major group companies in Japan. In FY2020, we introduced a Group-wide evaluation system ahead of other systems. From FY2021 to FY2022, we introduced a grading system and a remuneration system.
- (a) In order to thoroughly implement the performance-based evaluation system, the contribution to the organization (performance (actions, outputs, results) for the relevant work (duties) is comprehensively evaluated, and the evaluation results are reflected in monthly salaries and bonuses.
 - (b) Under the new grading and remuneration systems, the Company has introduced a job type HR system (job grade system) for managerial and non-managerial leadership levels and above, clarified responsibilities and duties, and realized position-based personnel transfers of the right person in the right place. Monthly remuneration (wages) is determined based on the “size of job responsibilities and duties” and the “results (evaluation results)” clarified in the job grade system. The remuneration (wages) is determined by unifying monthly remuneration into job remuneration, setting the amount based on the market level with reference to remuneration surveys and benchmarks (75percentile, 50percentile, 25percentile) from external organizations. In light of the trends in the Japanese job type market (the market is still immature), non-Manager in charge of specific duties (roles), the system is designed to steadily develop and strengthen talents by limiting the definition of each stage to a definition that retains a certain level of functional element. It is based on the accumulation of past evaluations, followed by promotions, recommendations as candidates for promotion, and promotions. In addition to monthly salary, we also offer bonuses based on the results of the company's and individual's performance. In order to provide employees with well-balanced treatment, our basic policy is to place the highest priority on those who make the most profits and the second highest on those who bring positive change to the company. Based on this policy, we aim to always evaluate employees fairly and impartially, regardless of age, years of service, work experience, gender, nationality or other factors.
- (iii) The Company has adopted the following three concepts in its retirement allowance system to reward employees who have made a significant contribution to the Company on the basis of ability and performance.
- (a) To reward each year's contribution as a part of the total compensation (gives a sense of remuneration)
 - (b) Create a system that contributes to the hiring and retention of excellent talents and the improvement of performance (retention)
 - (c) Ensure the governance of our group and create a framework that ensures smooth transfers (ensuring liquidity within the Group).
- Based on this concept, we have eliminated the practice of increasing retirement benefits according to the number of years of service, and instead have adopted a system in which retirement premiums fluctuate and are determined according to the base salary (reflecting annual evaluation). Group companies also had various retirement benefit systems. However, we have changed from a two-tier retirement benefit system consisting of a defined benefit corporate pension plan (DB) and a defined contribution corporate pension plan (DC) to a DC-only retirement benefit system. By integrating the retirement allowance system into the DC system, we are taking advantage of the DC portability system to facilitate the mobility of talents within our group. In addition, we are avoiding the risk of rising debt in the future by freeing the DB and converting the whole life portion to annuity.
- (iv) In order to make the position-based HR system function more effectively (to promote the mobility of talents within the company), the “Internal Job Posting System” will be implemented twice a year on a regular basis. In addition to the company-led personnel changes that have been implemented for many years, we also publish job openings for positions in each division in April and October, when employees usually transfer. When an employee applies to a job opening, each division makes a selection and if a match is made between the employee and the division, the employee is assigned to the position. By encouraging employees to act on their own initiative and having them take on challenges proactively, we hope to support their career development and revitalize the organization. The in-house job posting system began on a non-consolidated basis with the introduction of the HR system, and we plan to gradually expand the system to include Group companies.
- (v) As the environment changes and global business expands and deepens, the quality of talents needed by NIDEC is becoming more diverse. Under these circumstances, to realize “the right person in the right place” (acquisition of organizational capabilities, securing and utilization of talents) on a global scale, we have started to develop systems and mechanisms, including the formulation of the Global Mobility Policy. We will further promote One Nidec by creating an environment in which more talents will be born who will be active not only in Japan but also globally.

<HR Infrastructure Development: Recruitment>

As the world's No. 1 comprehensive motor manufacturer, NIDEC has consistently sought growth and provided solutions that are indispensable to society. To be a company that can respond quickly to the changes of the times and the needs of society, we will continue to acquire and retain talents with the three Ps (Proactive, Productive, Professional), who agree with “Nagamori-ism” and the “Nidec Way,” and who constantly strive to achieve high goals. As the Nidec Group grows, we have made mid-career recruitment as ongoing recruitment so that new employees can steadily participate. We will also put in place a system for recruiting new graduates as ongoing recruitment from FY2027. We will hire talents with the potential to be compatible with NIDEC on a global basis, such as foreign students, regardless of nationality.

- (i) In FY2024, 158 mid-career employees were hired at group companies in Japan, including NIDEC. To survive fierce competition, employees who have been with NIDEC from the beginning of their careers and those from a variety of backgrounds should work together. In this way, NIDEC strives to prevent rigidity in its workforce as an organization that constantly evolves while emphasizing employee diversity. At the same time, we hire business-ready talents with the skills and experience needed at the time of business expansion. We actively develop on-boarding measures to enable employees to play an active role in the Nidec Group at an early stage. These include retention measures such as programs to instill the Group's philosophy, post-employment interviews, and monthly questionnaires after hiring.
- (ii) 192 new graduates were hired at Group companies in Japan, including NIDEC in April 2025. We expect that they will develop into future executive candidates of the Nidec Group by actively engaging in work at their own discretion from a young age and through various education and work experience. We recognize that it is important for us to retain newly hired graduates as well as mid-career employees and to promote their active participation. We are working to improve the retention rate by promoting understanding of our management philosophy and policies through activities to instill the philosophy in employees, grasping the situation through monthly questionnaires, holding individual interviews, and improving the salary levels of new hires and managers.
- (iii) In Japan, full-time employees account for the majority of the professional group in charge of the development of advanced technologies. Non-regular employees who meet the requirements are actively promoted to regular positions. Based on our policy that “age has nothing to do with work,” we aim to create a company and organization in which each and every employee can play an active role according to his or her position and role, rather than having a age limit system for managerial positions.



Recruitment Indicators		FY2023	FY2024	FY2025 Target
Recruitment cost per employee	new graduate recruitment	¥302 thousand *Graduates in 2024	¥786 thousand *Graduates in 2025	-
	mid-career recruitment	¥2,129 thousand	¥2,590 thousand	-
Average number of days for recruitment (mid-career recruitment)		32.9 days	30.6 days	Within 30 days
Turnover rate	All employees	20.4%	15.0%	-
	Male	-	14.7%	-
	Female	-	16.6%	-

*Among the recruitment indicators, the number of recruits (new graduate recruitment) and the number of recruits (mid-career recruitment) are applicable to NIDEC and its domestic Group companies, and other indicators are applicable only to NIDEC.

*Recruitment cost per employee: Expenses paid to external parties for recruitment / Number of recruits

*Recruitment costs per employee for new graduates increased in FY2024 due to efforts to strengthen the formation of a broad candidate group as competition in the new graduate recruitment market increases and the roles expected of new graduate recruits within the Nidec are expanding against the backdrop of further globalization. Specifically, with the aim of increasing our recognition among job seekers and deepening their understanding of the Company, we worked to expand our recruitment content and increase opportunities for contact with job seekers.

*Average number of days for recruitment: Lead time from application to offer

*Turnover rate: Number of employees who left in the fiscal year / average number of employees in the fiscal year
Tracking of the turnover rate by gender began in FY2024.

HR Infrastructure Development: Diversity & Inclusion

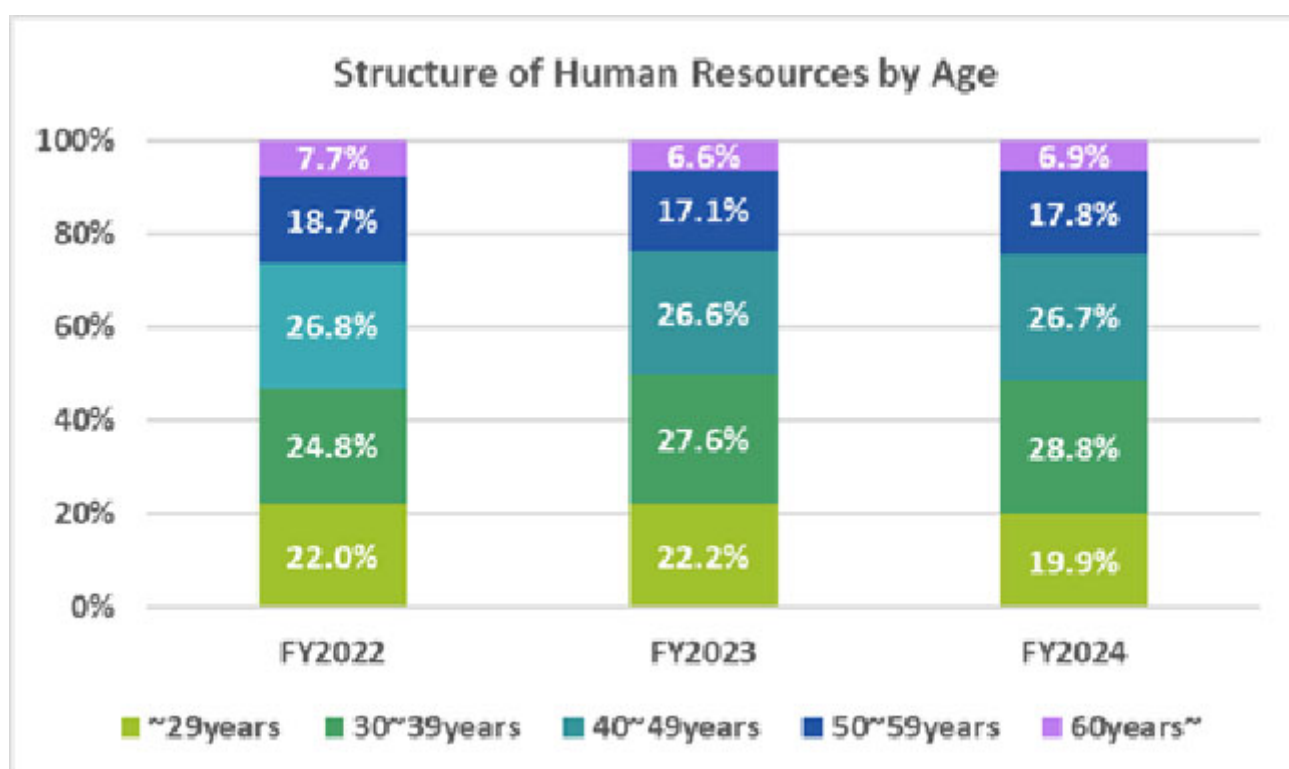
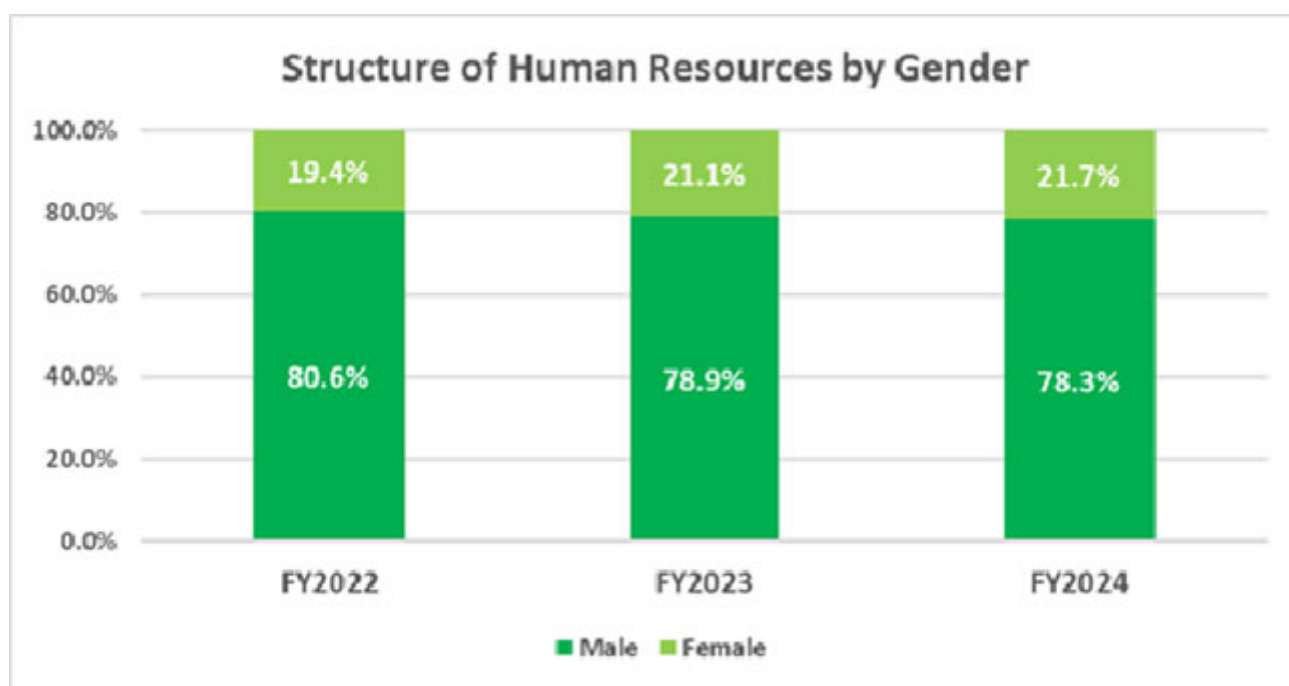
Our group continues to grow as a global enterprise with bases in more than 40 countries around the world. Employees travel and interact with each other across countries. By developing an organization (workplace) and working environment where diversity is a matter of course, we aim to become an organization with talents that can respond quickly to changes in the global situation and market.

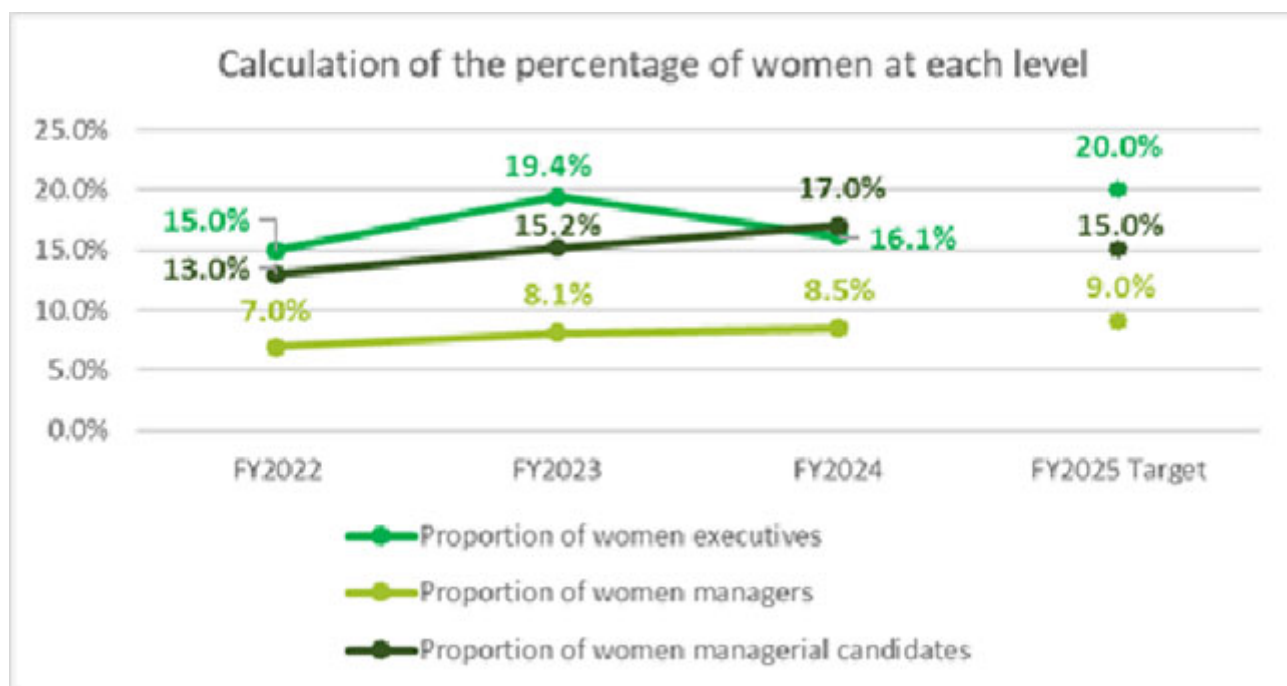
(i) To encourage diverse employees to play active roles and create new value throughout the organization, we are promoting an organizational culture that evaluates performance regardless of attributes, as well as flexible working styles and an organization that accepts diversity.

(a) From around 2005, we have been working on the promotion of diversity. Since then, we have gradually shifted from supporting a balance between work and family to supporting active participation. In addition to staggered working hours, telecommuting, and annual paid leave on an hourly basis as ways of working for both men and women, we have also expanded various systems such as reduced working hours and provided career support. As a result, the rate of employees returning from childcare leave has increased, the number of women in managerial positions and candidates for managerial positions has increased, and the degree of male participation in childcare has increased. We also hold workshops on working styles and careers, mainly for female employees, in an effort to raise their motivation for work. In particular, the Kyoto Head Office, in cooperation with outside directors, holds workshops to deepen employees' understanding of diversity, as well as hold joint workshops when female executives from overseas offices come to Japan, in order to raise awareness of both global and gender issues. In addition, we provide intensive support for career development and motivation through mentoring by senior managers at our overseas offices. At NIDEC, we will continue to place a high priority on the promotion of women's active engagement. In FY2024, the ratio of female managers was 8.5% (the ratio of female employees was 21.7%), and we are aiming for 9% in FY2025.

(b) As part of our initiatives for LGBTQ employees, our employment regulations explicitly state the importance of respecting individuals regardless of gender, sexual orientation, gender identity, etc., and promoting mutual cooperation. As part of this, we apply the HR regulations that apply to spouses to same-sex partners as well.

(c) Two non-Japanese executives have been appointed to Executive Officers, and we are promoting the hiring of foreign students regardless of nationality. The number of foreign students hired has been increasing year by year. The Company strives to ensure flexibility in working styles, aiming to be a company in which talents can play an active role regardless of gender, nationality, or other personal attributes or values. In addition, through the initiatives of the Technology Strategy Committee and the Global HR Strategy Committee, we are also focusing on global cross-business talent exchanges in each function. In particular, the Global HR Strategy Committee promotes initiatives that lead to the global discovery and development of executive candidates, as well as discussions that lead to talent exchanges that go beyond the HR function, such as the development of a global executive remuneration system and a global mobility policy.





*The targets for FY2025 have been formulated during Materiality Phase 3, which covers the period from April 2022.

*The proportion of women executives has been calculated to include executives with foreign nationality starting from FY2024.

*We achieved our target of 15.0% for the ratio of women candidates for management positions in FY2023.

Diversity Indicators (Japan region)	FY2024
Proportion of women executives	3.4%
Proportion of women managers	5.0%
Proportion of women managerial candidates	13.7%

*We started collecting data on the ratio of women at each management level in Japan region in FY2024.

Diversity Indicators	FY2023	FY2024
Employment rate of people with disabilities	2.7%	2.8%

Scope	Indicators related to childcare leave		FY2022	FY2023	FY2024
Nidec	Number/Rate of male employees taking childcare leave	All employees	24 people / 31.2%	27 people / 47.4%	24 people / 42.9%
		Regular employees	24 people / 31.2%	27 people / 47.4%	24 people / 42.9%
		Part-Time and Fixed-term contract employees	0 people / -	0 people / -	0 people / -
	Number/Rate of female employees taking childcare leave	All employees	19 people / 100%	12 people / 100%	23 people / 100%
		Regular employees	-	11 people / 100%	22 people / 100%
		Part-Time and Fixed-term contract employees	-	1 people / 100%	1 people / 100%
	Childcare leave return rate		92.5%	100%	92.1%
	Childcare leave retention rate *Percentage of employees who continued to work for one year after returning to work		81.0%	76.9%	78.3%
Japan region	Number/Rate of male employees taking childcare leave	All employees	-	-	78 people / 45.3%
		Regular employees	-	-	78 people / 45.3%
		Part-Time and Fixed-term contract employees	-	-	0 people / -
	Number/Rate of female employees taking childcare leave	All employees	-	-	75 people / 100%
		Regular employees	-	-	74 people / 100%
		Part-Time and Fixed-term contract employees	-	-	1 people / 100%
	Childcare leave return rate		-	-	95.7%
	Childcare leave retention rate *Percentage of employees who continued to work for one year after returning to work		-	-	82.0%

*Calculation of indicators related to childcare leave in Japan region began in FY2024.

*The aggregation of the number/rate of female employees taking childcare leave at our company by employment type has been conducted since FY2023.

Percentage of employees who can utilize the system		FY2022	FY2023	FY2024
Telework application rate		100%	100%	100%
Telework implementation rate		-	3.1%	3.3%
Staggered working hours system application rate		83.0%	97.2%	96.4%
Staggered working hours system implementation rate		-	3.7%	3.9%
Status of annual paid leave utilization	All employees	69.0%	73.0%	64.9%
	Male	-	-	62.0%
	Female	-	-	75.6%

*The telework application rate and the staggered working hour system application rate and implementation rate is limited to employees working in Japan. Employees assigned overseas will be subject to the working regulations of the local subsidiary of the host company.

*Regarding the telework implementation rate, the Company actively implemented teleworking during the COVID-19 pandemic, but it is currently striving to smoothly execute business and accelerate decision-making by adopting face-to-face communication and business operations as a principle.

*Calculation of the status of annual paid leave taken by gender began in FY2024.

(ii) The Company strives to stimulate communication with employees while being aware of appropriate sharing and constructive discussions at various opportunities for dialogue between the Company and employees.

(a) Once a month, the Company has established a venue for two way information sharing and opinion exchange with the Employees' Association. To create a workplace environment where employees feel motivated to work, the Employee Satisfaction Improvement Committee meets twice a year, based on employee opinions gathered from the Employees' Association, and the Employees' Association and the Company hold discussions.

(b) Since FY2021, employees from the HR Department have been visiting each of our business sites to ask and answer questions with employees. Through these visits, we are working to raise awareness of issues at each site and to ensure that employees are thoroughly informed and understand our HR policies and initiatives.

(c) In FY2024, President Kishida held an exchange meeting with employees of the Kyoto Head Office to discuss management issues and deepen understanding of the situation in each workplace. This exchange meeting was held 25 times, with 291 participants. The Company will continue its efforts to enhance communication between management and employees.

(iii) The One NIDEC Profit Contribution Grand Award, a global award system, is operated as part of our efforts to raise employee motivation and facilitate networking across businesses and regions. In FY2024, a total of 202 employees received 27 awards. In this award system, the degree of contribution to the organization is evaluated based on the profits generated as a result of initiatives. This system is effectively used in conjunction with the HR system to spread the principles of merit, performance, and philosophy.

(iv) The Company considers the health and motivation of its employees to be an important source of its sustainable growth. The Company is committed to health management based on the idea that it is essential to create a workplace where diverse talents can play an active role and a sustainable working style where employees can play an active role for a long time. Another pillar of our health management strategy is to improve productivity and engagement.

(a) From the perspective of improving productivity, the Company strives to minimize losses due to absence from work, leave of absence, etc., and prevent performance declines due to health problems by maintaining and promoting mental and physical health. As measures for people with high health risks, we provide personalized health guidance based on the results of health examinations and effectively encourage people to undergo detailed examinations. In order to prevent injuries and diseases, we hold online seminars by our occupational health physicians and public health nurses to raise employees' health literacy. We also encourage employees to quit smoking on the premises and exercise regularly to change their behavior. As a mental health measure, we are strengthening follow-ups such as group analysis after the stress check. In addition, from the perspective of occupational safety, we control the working hours of employees, including those in managerial positions, and work to reduce the risk of health problems resulting from long working hours.

(b) From the perspective of enhancing engagement, we will focus on the correlation between “engagement” and “ease of working” scores based on the analysis of the results of the NIDEC Health Survey, our internal health awareness survey, and promote measures that lead to improvements in the “ease of working” score in particular. To improve the “ease of working” score, we have introduced one-on-one meetings and career interviews to stimulate communication between supervisors and subordinates, and workshops to discuss solutions to workplace issues to energize the organization. We are also working to improve the working environment in terms of systems, including the expansion of staggered working hours and telecommuting systems.

Indicators related to health management		FY2022	FY2023	FY2024
Number of employees on long-term leave due to mental health issues		70	33	16
Number of employees on long-term annual leave due to illness other than mental health issues		13	4	4
Absence rate		-	-	1.0%
Participation in health promotion programs		83.4%	67.8%	25.2%
Average monthly overtime hours	All employees	19.6 hours	20.1 hours	19.3 hours
	Male	-	-	22.5 hours
	Female	-	-	9.0 hours

*Absence rate and average monthly overtime hours by gender began in FY2024.

*In FY2024, the actual value decreased due to changes in the content of the health promotion program and the calculation method.

- (v) The Company recognizes the importance of consideration for human rights in the global business environment and supports international guidelines such as the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, in order to respond to the diversification of issues surrounding human rights.
- (a) The Nidec Group CSR Charter states “respect human rights,” and the NIDEC Group CSR Declaration of Conduct, which supplements the CSR Charter, stipulates the prohibition of forced labor, child labor, discrimination and inhumane treatment, the guarantee of appropriate wages, the guarantee of working hours and holidays, and the guarantee of freedom of association and the right to collective bargaining. At present, the Group has more than 300 business sites worldwide, and many times more business partners support our operations in their respective countries and regions. However, many of our important production and supplier plants operate in countries where human rights legislation is said to be inadequate.
- (b) In this environment, we recognize that we are responsible for labor and ethical issues that arise not only in the Group but also in the supply chain. In November 2021, we formulated the Nidec Group’s Basic Policy on Human Rights to clarify our stance and initiatives regarding respect for human rights, and we revised them in November 2024. In addition to clearly stating our basic stance on human rights, the Guidelines also include 13 action guidelines that must be observed, including the prohibition of forced labor, child labor, harassment, and workplace safety and health. These policies have been developed with the scope of all the Group business partners, including the Group and suppliers. In addition to identifying the risks of human rights violations and continuously working on improvements, we are conducting educational activities such as company-wide e-learning to promote understanding and compliance.
- (c) As for human rights risk assessment, we place the highest priority on the Asian region, where more than 70% of our employees are concentrated. In cooperation with a third-party certification organization, we periodically conduct audits of our main production plants in Asia based on our own standards, with reference to the RBA(*) Code of Conduct. Regarding the human rights of employees, we strictly check the audit items established for seven aspects, including “free choice of employment,” “youth labor,” and “working hours.” Based on this policy, we will fulfill our responsibility to respect human rights and promote the creation of a safe and secure workplace where diverse talents can play an active role.
- (*) RBA (Responsible Business Alliance) Code of Conduct: A code of conduct established by the electronics industry for business activities throughout the supply chain.

(vi) Based on the belief that creating a safe and secure workplace is essential for diverse talents to play an active role, we are working to prevent work-related accidents and improve our compliance system.

(a) We have positioned ensuring the safety of employees as a top priority issue at all Nidec Group sites and have organized a Safety and Health Committee to deliberate on measures to ensure safety at our domestic sites.

(b)NIDEC continuously carries out compliance activities, including training for officers and employees, to raise the ethical awareness of officers and employees and to promote the creation of a safe and favorable work environment by complying with laws and regulations, internal rules and standards, the Code of Social Ethics, etc. and ensuring thorough education for employees. In addition, NIDEC has established a whistle-blowing hotline and an external third-party hotline that can be used by any Member of the Board of Directors, officer or employee of the Nidec Group, in an effort to create a workplace environment in which everyone can feel secure.

Indicators related to occupational accidents	FY2022	FY2023	FY2024
Number of occupational accidents	2	6	4
Occupational injury frequency rate	0.5	1.7	1.2
Time lost due to occupational accidents	32 hours	948 hours	0 hours
Fatalities due to occupational accidents	0	0	0

Indicators related to compliance	FY2022	FY2023	FY2024
Number of disciplinary actions (dismissal)	2	0	1
Number of disciplinary actions (other than dismissal)	4	3	1
Attendance rate to compliance training courses	97.0%	94.4%	95.4%

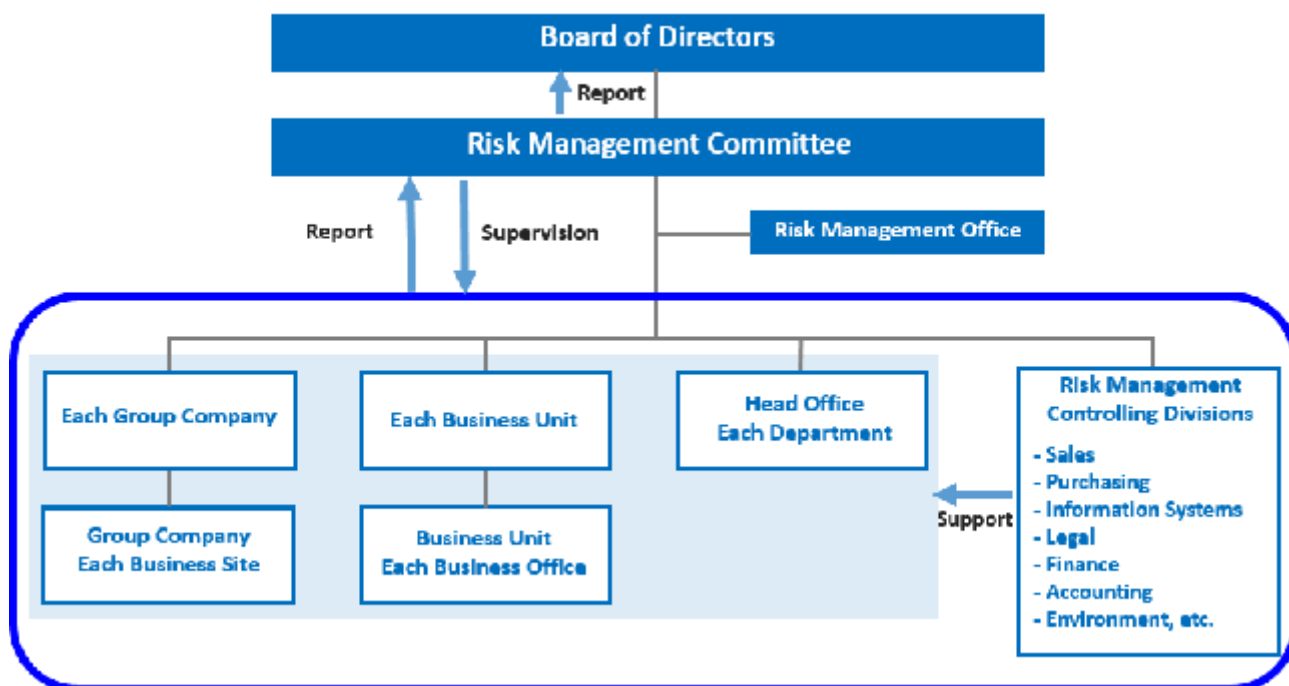
*Dismissal includes dismissal on persuaded basis.

3. Risk Factors

(1) Risk Management System and Operational Status

We are working to ensure business continuity from both a medium to long term perspective and a day to day perspective in response to the various risks involved in global business development. To this end, we have established a series of systems to investigate and evaluate risk events, confirm the effectiveness of current measures, and implement improvement measures, as described below.

Fig. 1 Company-wide Risk Management Structure



The roles of the organizations listed in the above management structure diagram are as follows.

- The Board of Directors

At the beginning of each fiscal year, the Risk Management Committee reports on the Company's basic policies on risk management to the Board of Directors, which provides guidance and advice on appropriate risk management activities to the Board of Directors. In addition, the Board of Directors shall approve the revision or abolition of the "Risk Management Rules," which define the system of responsibility for risk management, to ensure the effectiveness of the risk governance system.

- Risk Management Committee

Chaired by the director in charge of risk management, the Committee consists of members of the Executive Management Meeting, which is the decision making body for business operations. It decides risk management policies and measures and reports and makes proposals to the Board of Directors.

- Director in charge of risk management

Oversees company-wide risk management, operates the Risk Management Committee, monitors the status of risk management, and considers the allocation of necessary resources.

- Risk Management Office

As the permanent secretariat of the Risk Management Committee, this office is in charge of planning risk controls and liaison and reconciliation with each Risk Officer and the relevant Risk Management Controlling Divisions.

- Risk Officer

The Site Head, the Department Head, and the person separately appointed by the Risk Management Committee shall be the Risk Officer for the business area in charge and shall be responsible for risk management in the business area in charge.

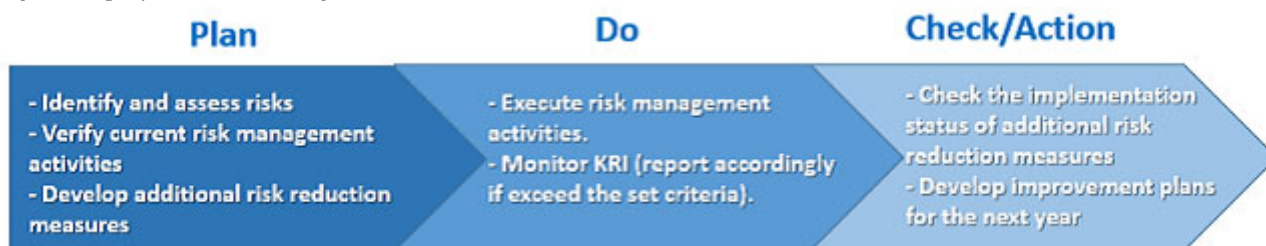
- Risk Management Controlling Division

The main department of the Head Office in charge of the risk management area determined based on the results of the risk assessment activities described below is designated as the Risk Management Controlling Division, and the director in charge is designated as the Risk Controlling Director. The Risk Management Controlling Division receives reports from Risk Officers on risks in their respective areas of responsibility, supports their responses, and monitors them.

(2) Risk Identification and Assessment Activities

Upon receiving a request from the Risk Management Office, the Risk Officers of the Head Office, group companies, and Business Units periodically investigate and evaluate risk events that affect business based on the company-wide risk management flow chart (Fig. 2) and the hierarchy of risk investigation and assessment activities (Fig. 3). Risk events are classified into four categories: management strategy risks, business operation risks, governance risks, and contingency risks.

Fig. 2 Company-wide Risk Management Flow Chart



A summary of the main actions in the flow chart above is as follows:

- Risk identification

Risk Officers appointed by the Risk Management Office identify risk events that may affect business every fiscal year.

- Risk assessment

The Risk Officer identifies the risk level after evaluating the likelihood of occurrence and the severity of consequences of the identified risk events in accordance with the company-wide common indicators (see Fig. 4). In risk assessment, we consider risk scenarios for each event and strive to grasp potential risks.

- Additional risk reduction measures

In particular, if the risk level is “serious,” or “high,” we will plan and implement risk reduction measures that will be added to current risk management activities.

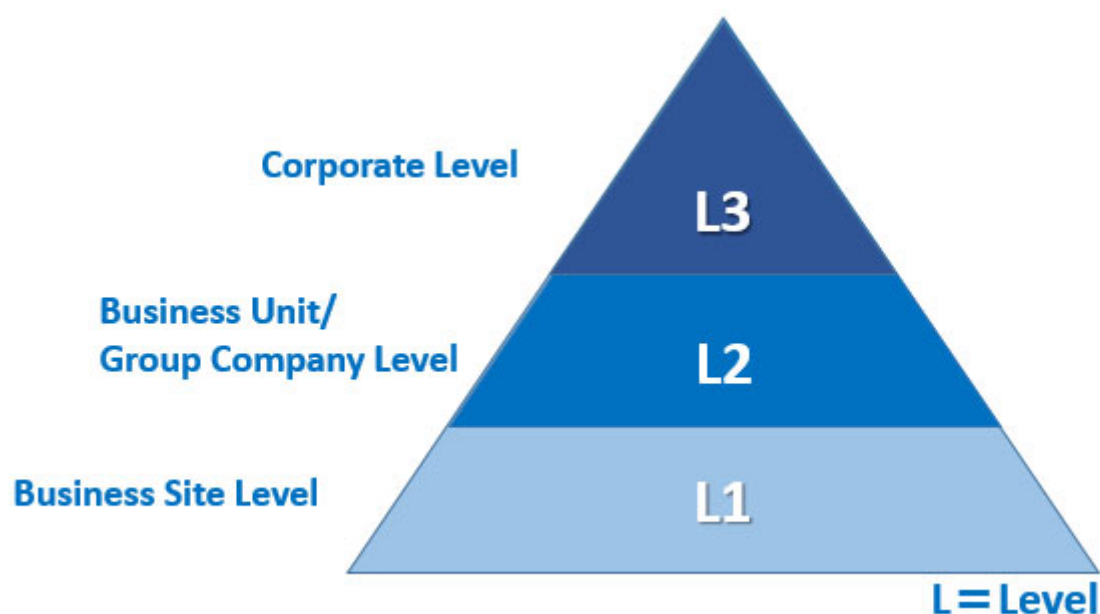
- Monitoring

For risks that may affect our operating results, stock price, financial position, etc. as determined by the Risk Management Committee (see item (3) below), KRI (Key Risk Indicator) shall be established and monitored.

- Improvement

We will check the implementation status of risk reduction measures and take improvement measures as necessary. We will analyze the results of our risk management activities and continuously improve our risk management system and operational status.

Fig. 3 Hierarchy of Risk Investigation and Assessment Activities



When identifying and evaluating risks, we check the current status of risk management activities and the implementation of risk reduction measures, monitor the residual risks, and mutually use the results in measures at other levels. For example, risks identified at the L2 are checked at the L3 as well, and if any issues common to all group companies that require improvement under the leadership of the L3 are identified, they are reflected in the L3's risk management activities as appropriate. In this way, we are moving forward with efforts to correlate risk management activities at each level (see Fig. 3).

Fig. 4 Risk Level Identification Matrix

		Likelihood of Occurrence				
		5 (At least once a year)	4 (At least once every three years)	3 (At least once every five years)	2 (At least once every ten years)	1 (At least once every thirty years)
Severity of Consequences	5 (A major problem that could threaten the business continuity)	Serious	Serious	Serious	Serious	High
	4 (A wide-ranging or long-term impact on business activities)	Serious	Serious	Serious	High	Medium
	3 (Either a wide-ranging or long-term impact on business activities)	Serious	High	High	Medium	Low
	2 (A limited and short-term impact on business activities)	High	High	Medium	Low	Low
	1 (To the extent there is almost no impact on business activities, or to the extent that it can be resolved immediately)	Medium	Medium	Low	Low	Low

The risk level is determined by applying the matrix shown in Fig. 4 to the residual risk after the implementation of risk measures, which is classified into five levels based on the likelihood of occurrence and the severity of consequences. The risk level is then evaluated in four levels of serious, high, medium, and low. Risk events identified as “serious” or “high” require consideration of additional risk reduction measures. The Risk Management Office confirms the implementation status of risk reduction measures at the end of the fiscal year, and any issues are reported to the Risk Management Committee.

(3) Risk Factors

Based on the results of the risk assessment activities described above, the following risks have been identified that may affect our operating results, stock price, financial position, etc. The forward looking statements herein are based on our judgments as of the end of the fiscal year under review.

Risk items	Risk level	Comparison with the previous year
1) Management strategy risks		
(1) Risks related to political and economic downturns	High	-
(2) Risks related to changes in the technological environment and industrial structure	High	Increase
(3) Risks related to competition	High	-
(4) Risks related to prior investments for anticipated customer demands	High	-
(5) Risks related to M&A	Serious	-
2) Business operation risks		
(1) Risks related to recruiting and retaining highly skilled personnel	Medium	Increase
(2) Risks related to research and development	Medium	Decrease
(3) Risks related to quality of our products	Serious	-
(4) Risks related to procurement of raw materials or components	Medium	Increase
(5) Risks related to intellectual property	Medium	-
(6) Risks related to information security	High	-
(7) Risks related to human rights	Medium	-
(8) Risks related to fluctuations of foreign currency exchange rates	High	-
(9) Risks related to fluctuations of interest rates	High	-
(10) Risks related to our liquidity of funds	High	-
(11) Risks related to recoverability of deferred tax assets	Medium	Decrease
3) Governance risks		
(1) Risks related to management succession	High	-
(2) Risks related to internal controls	Serious	-
(3) Risks related to fair and accurate financial statements	Serious	-
4) Contingency risks		
(1) Risks related to natural and human disasters	Medium	-
(2) Risks related to climate change	High	-

Please refer to the following pages for details of each of the above risks and the main countermeasures.

1) Management strategy risks

(1) Risks related to political and economic downturns
<p>Risk details</p> <p>We have more than 300 group companies in more than 40 countries around the world. We develop our business globally, and our overseas sales account for about 90%. As a result, changes in political and economic conditions in the countries and regions in which we operate may have an impact on our operating results and financial position. In particular, the emergence of protectionist trade policies, as typified by the trade issues between the United States and China in recent years, export restrictions on rare earths and other important raw materials by certain countries, and the materialization of geopolitical risks, such as heightened tensions between countries and regional conflicts, may affect us in the following ways.</p> <ul style="list-style-type: none"> - Fluctuations in demand for products and services - Difficulty in procuring and soaring prices of raw materials and parts - Supply chain disruption and inefficiency - Increase in manufacturing and logistics costs - Rapid fluctuations in exchange rates - Restriction or suspension of business activities <p>A combination of these events could have a negative impact on our operating results and financial position.</p>
<p>Main countermeasures</p> <p>We are taking the following measures to minimize the impact of the above risks.</p> <ul style="list-style-type: none"> - Optimization of business portfolio and market diversification <p>Avoid excessive dependence on specific countries and regions and develop business strategies tailored to the characteristics of each market. At the same time, we will diversify risk by actively entering growing markets and diversifying our businesses through product and technological development.</p> - Promotion of the “Made in Market Strategy”: opening of business sites and local production for local consumption <p>In major markets, we will establish an integrated system covering development, production, sales, and service to respond quickly to the needs of local customers and reduce the impact of trade barriers such as tariffs and geopolitical fluctuations.</p> - Strengthening and diversifying supply chains <p>In order to avoid dependence on specific suppliers for important parts and raw materials, we will constantly promote the use of multiple suppliers and the development of alternative suppliers. In addition, we will improve the flexibility and resilience of the entire supply chain through the optimal placement of production sites and the sophistication of inventory management, creating a system that can respond to unexpected situations.</p> - Strengthening of information gathering system and prompt decision making <p>We will collect and analyze information on political and economic trends, trade policies, and changes in laws and regulations in each country and region in a timely and accurate manner, and work to develop a system that utilizes this information in management decisions. As necessary, we will consider the transfer of production sites and the flexible review of business strategies.</p>

(2) Risks related to changes in the technological environment and industrial structure

Risk details

Rapid technological innovation and changes in the industrial structure could have a serious impact on our business model. In particular, with the evolution of AI and progress in autonomous driving technology, there is a possibility that demand for conventional products will decline sharply. For example, the evolution of electric motors and sensor technology could threaten demand for conventional machine parts. In addition, the emergence of new market players and the rapid evolution of technology in an increasingly competitive environment may threaten our market share. Failure to respond appropriately to these changes could result in lower sales and profits.

Main countermeasures

We are taking the following measures to respond appropriately to changes in the technological environment and industrial structure.

- Strengthen the research and development division

We will respond quickly to new market needs by focusing on the development of next generation technologies.

- Promoting the introduction of external technologies and joint development

We will actively pursue strategic alliances and alliances with other companies to enhance our competitiveness. In particular, we will strengthen our partnerships with start up companies and establish a system for quickly incorporating innovative technologies.

- Ascertaining customer needs

We will strengthen our marketing research to accurately grasp changes in customer needs and review our product portfolio.

- Improvement of engineers' capabilities

Knowledge of the latest technologies is shared throughout us, including periodic workshops with in house technicians and specialists, to increase flexibility in the changing technology environment.

(3) Risks related to competition

Risk details

We are exposed to intense competition in the various markets in which it operates. In particular, in the automotive and consumer electronics markets, competition continues to intensify due to the emergence of local manufacturers in emerging countries. Under the following circumstances, our competitiveness and profitability may decline.

- When competitors launch a new product faster than our technology development to secure superiority in the market

- When it becomes difficult to reduce costs due to a sharp rise in raw material prices or disruption in the supply chain, and we are placed at a disadvantage in price competition

- Competitors introduce new business models or services that increase customer choice and reduce demand for our products

- If our competitive environment becomes more severe due to the reorganization of the industry and merger or tie up of competitors

- Inability to adapt to local regulations and needs in international markets, resulting in loss of competitiveness

Main countermeasures

We will establish the following five core business areas based on market trends and maximize collaboration and synergies within our group to secure a competitive advantage.

- Base of AI society

- Sustainable infrastructure and energy

- Efficient manufacturing

- Better Life

- Mobility innovation

Please refer to pages 8 to 10 of the Integrated Report 2024 for details on our initiatives in each of the five core business areas.

(<https://www.nidec.com/en/sustainability/integrated-report/2024/>)

(4) Risks related to prior investments for anticipated customer demands
<p>Risk details</p> <p>In anticipation of increased demand, we may expand its production facilities in advance of orders or place advance orders for parts and materials in consideration of lead time. This entails the following risks.</p> <ul style="list-style-type: none"> - If demand is lower than forecast, the operation rate of the fixed assets will decrease, resulting in an increase in depreciation and a write down of the inventories due to excess inventory, which has a negative impact on the operating results. - There is a risk that our products may lose competitiveness in the market due to new products or technological innovation of competitors, and as a result, our market share may decrease. - Risk that the planned investment may not achieve the expected return due to changes in the economic environment or changes in customer needs - Risk of losing market share due to failure to meet customer requirements if demand is underestimated and necessary capital investment is not made
<p>Main countermeasures</p> <p>We are taking the following measures to achieve sustainable growth.</p> <ul style="list-style-type: none"> - ROIC (Return On Invested Capital) Management <ul style="list-style-type: none"> We have introduced ROIC as one of our management indicators and have set a target of achieving a ROIC of 12% or more. We are promoting improvement activities from both the profitability and capital efficiency perspectives. - Introduction of a new mechanism that contributes to investment decisions <ul style="list-style-type: none"> In making investment decisions, we will clearly identify businesses with relatively high profitability and businesses that are expected to grow in the future. We will also build a new structure to support its business portfolio strategies so that the funds generated by its businesses can be allocated in an optimal manner.

(5) Risks related to M&A
<p>Risk details</p> <p>We have achieved much of our growth by acquiring and otherwise investing in other companies that have provided us with complementary technologies, product lines, marketing and sales networks, and customer base. The continued success of our acquisition and investment activities constitutes a key factor in achieving our current business strategy. In a rapidly changing market, we may be unable to keep pace with the pace of market growth if we are unable to properly select and acquire the technologies necessary to change our business model. In addition, an inability to find suitable acquisition or investment targets could have material adverse effect on our business, operating results and financial position. Although we believe that these acquired assets appropriately reflect the future profitability achieved through the efficient integration of the acquired businesses, we may not be able to generate the estimated profit due to a deterioration of the business environment and others. In that case, we will need to recognize an impairment of these assets, which could adversely affect operating results and financial position. Furthermore, by taking new acquisition measures such as acquisition without consent, there is a possibility of reputational risk arising from negative campaigns against our acquisition policy.</p>
<p>Main countermeasures</p> <p>We are taking the following measures to reduce M&A risk.</p> <ul style="list-style-type: none"> - Companies to be acquired are selected in line with our business strategy - Purchase at a reasonable price through thorough prior investigation - Prompt and thorough post acquisition PMI - Deeply instill our management philosophy and management methods in all employees and create synergies by entering our group while improving the corporate value of the acquired company and minimizing the risk of goodwill impairment - Advance preparation of public relations strategies such as media communications related to M&A activities

2) Business operation risks

(1) Risks related to recruiting and retaining highly skilled personnel
<p>Risk details</p> <p>In order to achieve its vision, “a global company that grows sustainably beyond 100 years” and “the world’s leading solution providing business group that solves numerous problems for the people in the world,” we believe that it is essential to secure excellent human resources with a high level of expertise and those who can play an active role on a global scale. Amid concerns that competition for human resources will intensify due to factors such as the increasing mobility of human resources and an aging society with a declining birthrate, failure to secure these human resources could result in a loss of competitive advantage and have an adverse impact on business growth. In addition, if the outflow of excellent human resources continues, it may lead to the outflow of proprietary technologies and a decline in long term competitiveness.</p>
<p>Main countermeasures</p> <p>We have taken the following measures to recruit and retain highly specialized personnel.</p> <ul style="list-style-type: none"> - Strategic recruitment <p>We have drawn up a hiring plan that appropriately addresses the needs of our business divisions and clarifies our targets. In particular, in the recruitment of new graduates, we are strengthening cooperation with universities and specialized institutions, and through internship programs in cooperation with departments, we are able to quickly acquire excellent human resources.</p> - Career development support <p>We support employees' career development through career training for managers and young employees and through career interviews with managers using career plan sheets. In addition, opportunities such as in house job openings are provided on a regular basis to encourage employees to develop their own careers.</p> - Skill development support <p>We have introduced programs to help employees acquire knowledge and skills that are useful for their current and future work, and we support employee skill development.</p> - Global Human Resources Strategy Committee <p>Key personnel persons from each business and region gather together to discuss and promote personnel issues and measures that should be given global priority, such as identifying and developing with expertise, in order to realize the right person in the right place beyond the boundaries of the business and region.</p>
(2) Risks related to research and development
<p>Risk details</p> <p>In an operating environment that demands rapid technological innovation, if we are unable to adequately grasp market changes and technological trends and is unable to quickly bring the results of our R&D activities to market, we may be placed at a disadvantage to its competitors, thereby reducing the competitiveness of our products, leading to a decline in sales and a loss of market share. In addition, if R&D activities do not produce the expected results, there is an increased risk that they will seriously affect our entire growth strategies and adversely affect operating results and financial position.</p>
<p>Main countermeasures</p> <p>We have taken the following measures to reduce R&D risks.</p> <ul style="list-style-type: none"> - Promote group synergies <p>We are striving to enhance and speed up R&D activities by pursuing our group synergies. Examples include the research of fundamental technologies on motors in general at the NIDEC Shin Kawasaki Technology Center and the NIDEC Product Technology Research & Development Center, Taiwan, and R&D focusing on the evolution of production technology at the NIDEC Keihanna Technology Center.</p> - Establish the Technology Strategy Committee <p>Centered on the Technology Strategy Committee, which serves as our cross divisional link in the R&D function, we monitor the visualization of issues and responses related to the development of new product solutions in line with market, technology, and customer trend and demand forecasts, and manage risks related to R&D at One Nidec.</p>

(3) Risks related to quality of our products

Risk details

In recent years, customers have been demanding higher product quality. Failure to provide safe, high quality products may result in property damage or the loss of human life as well as damage to the products themselves. If such problems occur due to our products, they could lead to customer demands for compensation, lawsuits, recalls, or adverse regulatory action. Our operations could be seriously affected by the payment of costs for the collection and repair of defective products, a decline in sales due to a deterioration in the brand image, and financial burdens or the loss of human resources.

Main countermeasures

We have taken the following measures to reduce products quality related risks.

- Strengthen quality governance by building a quality assurance system

The Chief Quality Officer (CQO) oversees quality assurance for our entire group, and the Global Quality Management Division serves as the workforce for the CQO. By establishing a quality assurance system that links the quality assurance managers of Business Units and group companies, with the CQO at the top, we are working to strengthen quality governance.

- Promote cross divisional quality activities

The Quality Assurance Department of our entire group holds regular Quality Conferences to share information on the status of quality and examples of good practices and problems to promote continuous and company-wide improvement.

- Establish and operate quality management systems in compliance with international standards

We are working to maintain and improve product quality by building and operating quality management systems based on international standards for each product (ISO9001, IATF16949, etc.).

(4) Risks related to procurement of raw materials or components

Risk details

We procure most of the raw materials and parts necessary for the manufacture of products from outside sources. If the supply and demand conditions for these materials deteriorate extremely, it could have a serious impact on production plans and delivery times. Also, there is a possibility that raw materials and parts procurement may be hindered due to governmental policy changes in some countries related to specific raw materials or conditions of use of components, as well as changes in customer procurement policies.

Main countermeasures

We are taking the following measures to reduce the risks associated with raw materials and parts procurement.

- Multi source suppliers

We are building a system that does not depend on any particular supplier. This makes it possible to quickly procure parts from other suppliers if the supply of a particular raw materials or part is interrupted. When selecting suppliers, we confirm in advance that consideration is given to the environment, human rights, the working environment, and resource availability.

- Respond to sudden demand fluctuations

We have entered into long term contracts in key raw material markets to mitigate the risk of price volatility and supply shortages. We are also working to respond to sudden changes in demand by optimizing inventory management and appropriately securing the necessary materials.

(5) Risks related to intellectual property
<p>Risk details</p> <p>We protect its technology and other intellectual property based on intellectual property rights such as patents, design rights, trademarks, copyrights, and trade secrets. However, the following risks exist.</p> <ul style="list-style-type: none"> - There is a risk that we may infringe the intellectual property rights of a third party and be required to suspend business, pay damages, or pay patent usage fees. - There is a risk that our business activities may be hindered, and our competitiveness may decline due to infringement of our intellectual property rights by third parties. - Due to differences in legal systems in each country, there is a risk that existing intellectual property rights may become invalid, and the business may not be sufficiently protected.
<p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to intellectual property.</p> <ul style="list-style-type: none"> - From the initial stage of product development, we conduct comprehensive and ongoing investigations into the intellectual property rights of third parties to eliminate the risk of infringing on the intellectual property rights of third parties. When necessary, we cooperate with external law firms to respond promptly and appropriately. - To maintain competitiveness by protecting our proprietary technologies, we actively acquire and maintain intellectual property rights related to our core technologies, monitor product operations of other companies, and protect our business activities. In addition, we thoroughly educate employees on information management to prevent leaks of confidential information. - We strengthen the protection of international business by acquiring, maintaining and managing intellectual property rights appropriately in accordance with the intellectual property rights legal systems of each country. <p>Through these measures, we aim to minimize risks related to intellectual property and achieve sustainable business growth.</p>

(6) Risks related to information security
<p>Risk details</p> <p>We handle a wide range of confidential and personal information relating to customers, suppliers and employees. Proper handling of the information is essential to ensure a competitive advantage and maintain a relationship of trust with customers. There are information security risks associated with information management, such as cyber attacks, internal impropriety, and human error. We may be legally liable in the event of information leakage, which may result in significant monetary damages and/or fines. The loss of customer and supplier confidence can also lead to lower sales, loss of market share, and a serious impact on our brand image. These situations pose a serious risk to our sustainable growth and management stability.</p>
<p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to information security.</p> <ul style="list-style-type: none"> - Build a company-wide security management system (establishment of a dedicated team for information security, monitoring of activities by the Information Security Committee, and appointment of an Information Security Management Officer and an Information Security Promotion Officer) - Provide information security education to employees - Implement vulnerability inspections and corrective measures for VPN (Virtual Private Network) devices that are vulnerable to cyber attacks - Develop the “Incident Response Manual,” which defines in advance the initial operation and response system assuming cyber-attack damage, communication between organizations, etc., and conduct periodic training.

(7) Risks related to human rights
<p>Risk details</p> <p>In recent years, social responsibility for human rights has been emphasized. In particular, the issues of forced labor, child labor, and discrimination in the labor environment and supply chain have been highlighted. A company's attitude toward these issues has also become an evaluation item for measuring corporate value. Companies that do not fulfill their social responsibility to address human rights issues are poorly evaluated, and if measures to address these issues are insufficient, there are concerns about legal sanctions, damage to brand value, and an impact on sales and market share.</p> <p>Main countermeasures</p> <p>We recognize the importance of respecting human rights based on international guidelines. In addition to prohibiting forced labor and child labor, eliminating discrimination, and ensuring appropriate working conditions, we use its supply chain to implement initiatives that include business partners and suppliers. Specific activities are as follows.</p> <ul style="list-style-type: none"> - Formulate, update, and raise awareness of the “Nidec Group’s Basic Policy on Human Rights” <p style="padding-left: 20px;">In 2021, we formulated the “Nidec Group’s Basic Policy on Human Rights” and made it known to all directors, employees, business partners and suppliers to encourage compliance. In 2024, we revised the Basic Policy in light of social conditions and other factors and are constantly reviewing our efforts as a company.</p> <ul style="list-style-type: none"> - Implement human rights impact assessments <p style="padding-left: 20px;">We conduct human rights impact assessments to identify and assess the impact of our business activities on human rights. In fiscal 2023, self assessment (SAQ) on human rights was conducted at our approximately 300 sites. In fiscal 2024, more than 1,000 suppliers responded to the SAQ, which included questions on human rights. Based on the results of these responses, a detailed evaluation and analysis was carried out with a particular focus on human rights. For suppliers that are deemed to be at high risk based on analysis, individual meetings and surveys are conducted to lead to improvement activities, and educational materials on human rights are developed to promote suppliers’ understanding.</p> <ul style="list-style-type: none"> - Develop a system to address human rights <p style="padding-left: 20px;">We are committed to improving the workplace environment and raising awareness of human rights through regular monitoring, education, and training programs. In the event of any issues, a system is in place to ensure prompt corrective action and remediation. We discontinue, prevent, and mitigate negative impacts on human rights via daily activities by the Sustainability Promotion Meeting, chaired by the President, and by the Human Rights Subcommittee, which comprises departments in charge of human rights issues. The Human Rights Subcommittee’s actions are supervised by the Sustainability Committee, composed of the member of the Board, to which reports are submitted regularly. In addition, reports to the Sustainability Committee are submitted to the Board of Directors by the Committee’s chair.</p>
(8) Risks related to fluctuations of foreign currency exchange rates
<p>Risk details</p> <p>We operate globally, and most of our sales are made in currencies other than Japanese yen, such as the U.S. dollar, euro, Chinese yuan, and Thai baht. As a result, fluctuations in foreign exchange rates may have a direct impact on our operating results. If the yen appreciates, sales outside Japan will decline on a yen equivalent basis, resulting in pressure on operating profit and net income. Also, when we integrate the performance of our foreign subsidiaries into the consolidated financial statements operations, the impact of exchange rate fluctuations is significant, and currency instability, particularly in emerging markets, is a risk factor. In addition, there are concerns that fluctuations in assets and liabilities denominated in foreign currencies may generate foreign exchange gains and losses and have a negative impact on financial conditions.</p> <p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to exchange rates.</p> <ul style="list-style-type: none"> - Offset sales and purchase transactions are denominated in foreign currencies and utilize natural hedges. - Periodically monitor the status of foreign exchange risks and review transaction currencies as necessary. - Diversify risk by conducting transactions in various currencies in overseas markets and reducing dependence on specific currencies.

(9) Risks related to fluctuations of interest rates

Risk details

We hold long term and short term receivables and interest bearing liabilities with fixed and variable interest rates. Changes in these interest rates could have a material impact on funding costs and revenue from investments. A rise in interest rates could increase borrowing costs and have a direct negative impact on operating profit ratio and cash flows.

Main countermeasures

We have taken the following measures to minimize risks related to interest rates.

- Utilize derivative products such as interest swaps and interest options to ensure predictable funding costs.
- Monitor interest rates on a regular basis and diversify risks by reviewing the composition of assets and liabilities. Also optimize the ratio of interest sensitive assets and liabilities.
- For long term cash planning, conduct stress tests assuming multiple scenarios to assess resilience to interest rate fluctuations, thereby supporting prompt decision making.
- Pay close attention to economic trends and changes in monetary policy and flexibly review our funding strategy as necessary.

(10) Risks related to our liquidity of funds

Risk details

We rely primarily on borrowings from financial institutions and direct equity financing from financial markets to finance our growth and operations. There is a risk that financial institutions may tighten their lending conditions or restrict their funding opportunities due to fluctuations in financial markets and uncertainties in the economic environment. In particular, if the global economic situation worsens, credit ratings decline and investors become more risk averse, increasing the possibility that the necessary funds cannot be raised under suitable conditions. This situation can result in a shortage of working capital and delays in capital investment, which can have a serious impact on the growth strategy and competitiveness of the business. In addition, there are concerns that an increase in funding costs and a deterioration in cash flow will lead to a deterioration in financial conditions.

Main countermeasures

We have taken the following measures to minimize risks related to the liquidity of funds.

- Diversify funding
Consider financing methods such as bank loans and the issuance of bonds to broaden the sources of funding. In particular, develop a long term funding plan and regularly conduct stress tests to mitigate risks to short-term funding needs.
- Efficient management of working capital
By reviewing our inventory management and accounts receivable collection processes, we stabilize our cash flow and create a system that can respond quickly to sudden demands for funds.
- Maintain and improve credit ratings
Promote management that emphasizes financial soundness and conduct highly transparent financial reporting.
- Global cash management system:
Aim to efficiently allocate funds by consolidating surplus funds in each region.

(11) Risks related to recoverability of deferred tax assets
<p>Risk details</p> <p>We must assess on an ongoing basis whether deferred tax assets are recoverable from future taxable profit. Changes in economic conditions, deterioration in business performance, or the introduction of new regulations may significantly affect the recoverability of deferred tax assets. As a result, there is a risk that we may determine that some or all its deferred tax assets are unrecoverable, which could result in a decrease in income. In particular, there are concerns that intensifying competition and market fluctuations could exert a material impact on our financial soundness.</p>
<p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to deferred tax assets uncertainty.</p> <ul style="list-style-type: none"> - Conduct periodic reviews of the recoverability of deferred tax assets and develop a framework for reviewing provisions in response to performance and market trends. - In formulating tax strategy, we analyze the future taxable income prospects in detail and visualize risks through scenario planning. - In cooperation with specialized tax advisors, strengthen information gathering based on the latest tax reforms and industry trends, and build a system to support prompt decision making.

3) Governance risks

(1) Risks related to management succession
<p>Risk details</p> <p>Our continued success have depended mainly on the abilities and skills of Mr. Shigenobu Nagamori, our founder. In the current situation where various economic and political risks have become apparent, there is a possibility that we will be unable to produce a new leader to drive growth under our founding spirit, “Do it now; do it without hesitation; do it until completed.” This may have a negative impact on our businesses, operating results and financial position.</p> <p>Main countermeasures</p> <p>To break away from our dependence on our founder and strengthen our group management system, we are promoting the visibility of key positions throughout our group and focusing on the “discovery, development, and motivation” of candidates for management positions. Specific initiatives are as follows.</p> <ul style="list-style-type: none"> - Discovery <p>Senior management discusses the appropriateness of the succession plan and strives for stable and continuous organizational management. Furthermore, in November 2022, we established a Nomination Committee for some of the most important posts, including the post of President, to establish a system that leads to the appointment of management (the Members of the Board of Directors and executive officers). In addition, to identify the next generation of management candidates, the Global Human Resources Strategy Committee is working to identify human resources that should be developed across regions and businesses, using the succession plan as a reference.</p> - Development <p>While human resources development within each business unit is fundamental, we are also providing further development measures, especially for human resources that should be developed across regions and businesses.</p> <p>(Example) Tough assignments such as corporate reconstruction and promotion</p> <p>A training school run by the founder for the purpose of instilling our philosophy and management mindset</p> <p>Global Management College aimed at acquiring high level management knowledge as the leader of a global company</p> <p>*Since the establishment of the Global Human Resources Strategy Committee, the Global Management College has been reviewing its initiatives for further improvement.</p> - Motivation <p>To strengthen our group management system, it is important not only to identify and develop executives and executive candidates, but also to motivate them.</p> <p>In addition to providing the development measures mentioned above, we are also working to motivate and establish employees through periodic reviews of various remuneration systems.</p> <p>In addition, on April 1, 2025, we revised our executive system and strengthened the Chief Officer System. By building a new global headquarters system centered on the CxO and transforming from a management system based on the strong leadership of the founder to a structured organizational system, we will create a management system in which the leaders of each business unit and the leaders of each function (CxO) cooperate to promote speedy and bold reforms to resolve various business issues in the future.</p>

(2) Risks related to internal controls

Risk details

(Material weakness in prior years)

The Company group has been maintaining and operating an internal control system in order to achieve the purpose of ensuring the compliance and appropriateness of financial reporting. However, it became clear that, at a consolidated subsidiary of the Company, the wrong data was identified for part of the consolidated adjustment in the accounts for the previous fiscal years, such as sales accompanied by transactions between consolidated subsidiaries of the Company group in its consolidated account closing process, resulting in sales recorded in an inflated manner. Accordingly, the Company determined that this error constitutes a material weakness regarding the internal control over its account closing and reporting process for the fiscal years ended March 31, 2023 and 2024. The Company sufficiently understands the importance of internal control over financial reporting. Therefore, to correct the material weakness regarding the internal control over financial reporting as of the end of the previous consolidated fiscal year, the Company has implemented the following recurrence prevention measures and checked the progress of subsequent improvements of internal control:

- Thoroughly review consolidated closing entries included in documents disclosed in past fiscal years and in corrected consolidated financial statements to identify other related issues and to improve the accounting process and representation.
- Update the Company's policy on its consolidated account closing process, enhance the system to understand the proper and comprehensive information when identifying adjustment-requiring cases that are related to transactions between consolidated subsidiaries, and hold lectures focused on the verification of consolidated book closing and on the approval process by those with approval authority.
- Enhance the comprehensive monitoring function of the Company's and its subsidiaries' accounting and financial managers over the consolidated account closing process, and enhance the reviewing and approval procedures on the coordination of transactions between consolidated subsidiaries in account closing and reporting process.

As a result, the Company decided that the material weakness as of the end of the previous consolidated fiscal year has been resolved in the current consolidated fiscal year and the results of such evaluation of the internal control are valid.

The Company will continue to take measures to prevent the recurrence of such issues and strive to enhance internal controls. However, due to inherent limitations in internal controls, the reliability of financial reporting by the Company group could be affected if the above measures do not effectively function in the future.

(Material weakness in the current fiscal year)

Moreover, at another consolidated subsidiary of the Company, it became clear that the amount of unpaid tariffs was underreported due to erroneous declarations of country of origin of motors manufactured. Accordingly, the Company determined that this error constitutes a material weakness regarding the company-wide internal control and internal control over its account closing process for the fiscal year ended March 31, 2025.

The Company sufficiently understands the importance of internal control over financial reporting. To correct the material weakness, the Company group has promptly designed the following recurrence prevention measures. However, the reliability of financial reporting by the Company group could be affected if any material weakness occurs again in the future.

(2) Risks related to internal controls
Main countermeasures
<p>The Company will strive for management that emphasizes compliance, and further endeavor to avoid and minimize the above risks by positioning maintenance and operation of internal control over financial reporting as one of its essential management issues and addressing inspections, improvements or other issues of management structures and other matters of the affiliated companies at the Company group level.</p> <p>To correct the identified material weakness regarding the company-wide internal control and internal control over its account closing and financial reporting process for the fiscal year ended March 31, 2025, the Company has designed the following measures:</p> <p>The following recurrence prevention measures could be changed based on the results of the investigation by the third-party committee and other internal investigations and other.</p> <p>(1) Foster a mindset and corporate culture that prioritize compliance above all else</p> <ul style="list-style-type: none"> - Deliver clear messages from the Company's board of directors to the Company group - Thoroughly communicate the necessity of prioritizing compliance above all else through disciplinary actions - Strengthen the power and authority and enhance the capabilities of the legal and compliance departments <p>(2) Strengthen organization and structure</p> <ul style="list-style-type: none"> - Strengthen the trade compliance structure - Strengthen the global governance structure <p>(3) Improve procedures, regulations, and mechanisms</p> <ul style="list-style-type: none"> - Improve the Company group's reporting lines - Information sharing among the Company group's legal and compliance departments - Properly organize the internal control system <p>(4) Disciplinary actions</p> <ul style="list-style-type: none"> - Implement appropriate disciplinary actions

(3) Risks related to fair and accurate financial statements

Risk details

The Company recognized the suspicion of inappropriate accounting treatment, that may have a significant impact on the entire consolidated financial statements, with the involvement or knowledge of its or their management—namely, for example, that those companies could be construed to have arbitrarily considered when to write down certain assets with risk in terms of their asset value. Therefore, the Company recognized the need for objective investigations by a third-party committee independent of the Company. Accordingly, the Company decided to establish a third-party committee in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations on September 3, 2025.

In addition, Company has conducted internal investigations to the various issues concerning trade transactions and customs.

The investigations by the Third-Party Committee and other internal investigations are ongoing, and if any misstatements are identified as a result of the investigations, they could have a material and pervasive impact on the consolidated financial statements.

Details of investigations by Third-Party Committees and other internal investigations are described in the Notes to Consolidated Financial Statements “Investigations by Third-Party Committees and Other Internal Investigations”.

Main countermeasures

The Company will fully cooperate in the third-party committee’s investigations and investigations conducted by external experts as part of other internal investigations. The investigations by the Third-Party Committee and other internal investigations are ongoing. The Company will promptly design and implement recurrence prevention measures upon receiving the investigation report from the third-party committee or other internal investigations. Furthermore, should it be discovered that there exists any material misstatement that requires amendment in the Financial Statements of any previous or current fiscal year, the Company intends to take appropriate measures, including amendments of previous or current securities reports. In such cases, the Company will promptly disclose the details of the corrections and amount of the impacts etc.

4) Contingency risk

(1) Risks related to natural and human disasters
<p>Risk details</p> <p>Natural disasters (earthquakes, typhoons, floods, etc.) and man made disasters (wars, conflicts, terrorism, etc.) can have a serious impact on corporate activities in Japan and overseas where we conduct business. In particular, if a large scale disaster occurs in an area where major manufacturing sites and supply chains are concentrated, product manufacture and supply may stagnate, resulting in delays in delivery to customers and higher production costs. As a result, our brand image and customer confidence may decline, adversely affecting revenue in the long term.</p>
<p>Main countermeasures</p> <p>We have taken the following measures to minimize risks related to natural and man made disasters.</p> <ul style="list-style-type: none"> - Risk monitoring <p>Risk Officers at each of our business sites around the world play a central role in the early detection of factors that could hinder business continuity and the appropriate response.</p> - Risk diversification <p>Work to minimize the impact of a disaster by geographically dispersing our production sites and duplicating our supply chain.</p> - Risk transfer <p>Purchase non life insurance to reduce the financial impact when damage occurs.</p> - Business continuity management <p>Develop a Business Continuity Plan (BCP) and conduct training at domestic and overseas sites to prepare for business interruptions.</p>

(2) Risks related to climate change
<p>Risk details</p> <p>Climate change is a serious threat to our business's sustainability and competitiveness, particularly in the manufacturing sector. The materialization of the following risk events could have a material adverse effect on our financial condition. Please refer to "II. Business Overview, 2. Views and Initiatives on Sustainability, (Reference) Major climate change risks, opportunities, and mitigation approaches" for details on risks and measures related to climate change.</p>
<p>Main countermeasures</p> <p>Please refer to "II. Business Overview, 2. Views and Initiatives on Sustainability, (Reference) Major climate change risks, opportunities, and mitigation approaches".</p>

5) Risks for foreign investors

(1) Japan's unit share system imposes restrictions in holdings of our common stock that do not constitute whole units
<p>Risk details</p> <p>Our Articles of Incorporation provide that 100 shares of our stock constitute one "unit". The Companies Act of Japan imposes significant restrictions and limitations on holdings of shares that constitute less than a whole unit. Holders of shares constituting less than a unit do not have the right to vote. A shareholder who owns shares representing less than one unit will not be able to exercise any rights relating to voting rights, such as the right to participate in a demand for the resignation of a director, the right to participate in a demand for the convocation of a general meeting of shareholders and the right to join with other shareholders to propose an agenda item to be addressed at a general meeting of shareholders. Under the unit share system, holders of shares constituting less than a unit have the right to require us to purchase their shares. However, holders of the American Depositary Shares ("ADSs") that represent other than multiples of whole units cannot withdraw the underlying shares representing less than one unit and, therefore, they will be unable to exercise the right to require us to purchase the underlying shares. As a result, holders of ADSs representing shares in lots of less than one unit may not have access to the Japanese markets to sell their shares through the withdrawal mechanism.</p>

(2) Rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

Risk details

Our Articles of Incorporation, Regulations of the Board of Directors, Share Trading Regulations and the other related regulations, as well as the Companies Act govern our corporate affairs. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties and shareholders' rights may be different from those that would apply if we were a non Japanese company. Shareholders' rights under Japanese law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions within the United States. Shareholders may have more difficulty in asserting their rights as a shareholder than they would as a shareholder of a corporation organized in another jurisdiction. In addition, Japanese courts may not be willing to enforce liabilities against us in actions brought in Japan that are based upon the securities laws of the United States or any U.S. state.

(3) A holder of our ADSs will have fewer rights than a shareholder has and will need to act through the depositary to exercise those rights

Risk details

The rights of the shareholders under Japanese law to take actions, including voting their shares, receiving dividends and distributions, bringing derivative actions, examining our accounting books and records and exercising appraisal rights are available only to holders of record. Because the depositary, through its custodian agent, is the record holder of the shares underlying the ADSs, only the depositary can exercise those rights in connection with the deposited shares. The depositary will make efforts to vote the shares underlying ADSs as instructed by the ADS holder and will pay to ADS holders the dividends and distributions collected from us. However, as an ADS holder, shareholders will not be able to bring a derivative action, examine our accounting books and records or exercise appraisal rights in their capacity as ADS holder.

(4) Because of daily price range limitations under Japanese stock exchange rules, shareholders may not be able to sell their shares of our common stock at a particular price on any particular trading day, or at all

Risk details

Stock prices on Japanese stock exchanges are determined on a real time basis by the equilibrium between bids and offers. These exchanges are order driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell at a price above or below the relevant daily limit may not be able to sell his or her shares at such price on a particular trading day, or at all.

(5) Foreign exchange fluctuations may affect the dollar value of our ADSs and dividends payable to holders of our ADSs

Risk details

Market prices for our ADSs may fall if the value of the yen declines against the U.S. dollar. In addition, the U.S. dollar amount of cash dividends and other cash payments made to holders of our ADSs would be reduced if the value of the yen declines against the U.S. dollar.

(6) It may not be possible for investors to effect service of process within the United States upon us or our members of the Board of Directors or members of the Audit and Supervisory Board or to enforce against us or these persons judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States

Risk details

We are a limited liability, joint stock corporation incorporated under the laws of Japan. Most of our members of the Board of Directors or members of the Audit and Supervisory Board reside in Japan. A substantial portion of our assets and all or substantially all of the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for investors to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgment obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Japan, in original actions for enforcement of judgments of United States courts, of liabilities predicated solely upon the federal securities laws of the United States.

4. Management Analysis of Financial Position, Operating Results and Cash Flows

Forward-looking statements below were determined as of the end of the current fiscal year.

NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2025. Consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

(1) Material accounting policies and significant accounting estimates

NIDEC's consolidated financial statements have been prepared in compliance with International Financial Reporting Accounting Standards (hereinafter referred to as "IFRS Accounting") pursuant to the provision of Article 312 of the *Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements*.

In preparing IFRS Accounting-compliant consolidated financial statements, NIDEC developed and used estimates, judgment, and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may be different from such estimates, judgment, and assumptions.

In the event that accounting estimates must be prepared under a high level of uncertainty at the time when accounting estimates are made, such accounting estimates will be different from accounting estimates based on rational comparison with the most recent accounting period or rational estimates of the corresponding period of occurrence, and can be expected to have significant effect on the estimates of financial position, changes in the financial position, and operating results.

For further information, refer "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 3. Material accounting policies, 4. Significant accounting estimates, judgments and assumptions".

(2) Operating results

A year has passed since the new management structure was launched with Mitsuya Kishida taking over as president. Under the slogan of “One Nidec,” we have been strongly promoting various measures, including the integration of technologies, products and human resources on a global basis, with the aim of realizing group-wide integrated management, that is, group-wide optimal management that achieves growth while generating synergies among group companies.

About the product groups, in the Small precision motors, demand for HDD motors has recovered mainly for near-line applications and led to profit increase. In the area of water-cooling modules for AI data centers including those for the next-generation GPU servers, which are in the new field, with cost competitiveness cultivated through the development and production of small precision motors, we prepare a production system for high-value-added strategic products and component supply. We accelerate the shift to a highly profitable business portfolio to meet customer needs. In the Battery EV related business of the Automotive products, NIDEC swiftly shifted its strategy to put first priority on its profitability in FY2023, ahead of competitors, to respond to the slowdown of the Battery EV market expansion and fierce price competition. NIDEC implements strict restrictions on orders for unprofitable models and promotes transfer to component business. In the Automotive organic business (existing business), although NIDEC experienced a downturn in the European market, it is steadily capturing demand for motors and peripheral parts in anticipation of increased demand for advanced electrification technology and is working to expand sales. From January 1, 2025, NIDEC integrates the Automotive organic (existing business) into the Appliance Commercial Industrial Motors Business Unit (ACIM), which has strengths in management operations in Europe and the United States and in cross-functional operations in production, purchasing, and human resources, optimizing the operation of the Automotive organic business. Effective April 1, 2025, Nidec Mobility and Nidec Elesys merged their operations. We will integrate the resources of both companies and accelerate the creation of a system that can provide powerful solutions. In the Appliance, commercial and industrial products, there is a rapid expansion in the demand for backup power generators for data centers, Battery energy storage systems (BESS) accelerated by green innovation, and large motors associated with the renewal of social infrastructure. To meet these strong demands, NIDEC is actively investing in enhancing production capacity in India, France, and North and Middle America, and strengthening its recurring business related to maintenance and inspections downstream of the value chain. In the Machinery, NIDEC strengthens machine tool technologies that directly contribute to quality production upstream of the entire group. As the synergistic effects of consolidating production systems and integrated operation of sales and services are beginning to bear fruit, NIDEC sees signs of an upward trend in the market after experiencing a downturn in the economic cycle. As a result of the group's concerted efforts to strengthen Three New Activity (exploring new markets, developing new products, and acquiring new customers) under the new management system, we renewed the highest record in net sales, operating profit, profit before income taxes and profit attributable to owners of the parent for the twelve months consolidated accounting period.

Additionally, we have formulated a new mid-term management plan (Conversion 2027) targeting FY2027. From FY2025 onwards, we have set three "Conversions"; 1) “Convert” to high profit structure, 2) “Convert” to five Business Pillars to support the future growth, and 3) “Convert” to truly global system as policies to fundamentally transform our cost structure through reviewing our business portfolio, consolidating and closing company bases, workforce optimization primarily in indirect manufacturing functions, and promoting strategic investments, etc. thereby improving our profit ratio.

The following table sets forth consolidated operating results for the year ended March 31, 2025:

(Yen in millions)

	For the years ended March 31,		Increase or decrease	Ratio of change
	2024	2025		
Net sales	2,347,159	2,607,813	260,654	11.1%
Operating profit	161,856	238,116	76,260	47.1%
Operating profit ratio	6.9%	9.1%	-	-
Profit before income taxes	201,669	233,309	31,640	15.7%
Profit for the year from continuing operations	125,395	160,872	35,477	28.3%
Loss for the year from discontinued operations	(44)	(204)	(160)	-
Profit attributable to owners of the parent	124,455	164,365	39,910	32.1%

Consolidated net sales from continuing operations increased 11.1% to ¥2,607,813 million for this fiscal year compared to the previous fiscal year, and we renewed the highest record.

Each business area and market progressed steadily. Sales of spindle motors for HDDs in the Small precision motors recovered, mainly for near-line applications, and net sales increased in new fields such as water-cooling modules for AI data centers. Also, in the Appliance, commercial and industrial products, net sales increased mainly in the energy sector including generators and Battery energy storage systems (BESS). In addition, net sales expanded due to the new consolidation in the Automotive products and Machinery.

Operating profit increased 47.1% to ¥238,116 million for this fiscal year compared to the previous fiscal year, and we renewed the highest record due to recovery of spindle motors for HDDs in the Small precision motors, sales expansion of the water-cooling modules which are in the new fields, expansion of demand mainly in the energy sector in the Appliance, commercial and industrial products, the gain on step acquisition regarding the consolidation of Nidec PSA emotors, and additionally recording the restructuring costs in the Battery EV related business in the previous fiscal year, despite the influence of cost burden as a result of rationalization of dispersed production bases and integrated production systems in the Appliance, commercial and industrial products and the Machinery to improve profitability.

Profit before income taxes increased 15.7% to ¥233,309 million including the impact of recording a foreign exchange loss of approximately ¥14,100 million, and profit attributable to owners of the parent increased 32.1% to ¥164,365 million compared to the previous fiscal year and both stood at record highs.

The average exchange rate between the Japanese yen and the U.S. dollar for this fiscal year was ¥152.58 to the U.S. dollar, which reflected an approximately 6% depreciation of the Japanese yen against the U.S. dollar, compared to the previous fiscal year. The average exchange rate between the Japanese yen and the Euro for this fiscal year was ¥163.75 to the Euro, which reflected an approximately 4% depreciation of the Japanese yen against the Euro, compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales: Positive effect by approximately ¥100,700 million compared to the previous fiscal year.
- Operating profit: Positive effect by approximately ¥6,700 million compared to the previous fiscal year.

The following table sets forth operating results by segment:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit (loss)		
	2024	2025	Increase or decrease	2024	2025	Increase or decrease
SPMS	333,328	395,588	62,260	25,958	41,130	15,172
AMEC	339,748	350,854	11,106	(55,694)	(3,004)	52,690
MOEN	463,509	577,907	114,398	61,285	70,319	9,034
ACIM	437,990	467,776	29,786	42,646	40,647	(1,999)
Nidec Machinery and Automation	207,084	220,924	13,840	28,353	17,828	(10,525)
Group Company Business	634,636	665,057	30,421	75,582	87,589	12,007
Elimination/corporate	(69,136)	(70,293)	(1,157)	(16,274)	(16,393)	(119)
Consolidated total	2,347,159	2,607,813	260,654	161,856	238,116	76,260

(Notes) 1. Net sales are the total of sales to external customers and sales to other operating segments.

2. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. Details are stated in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5 Segment information".

Net sales of SPMS increased ¥62,260 million to ¥395,588 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to an increase in sales of spindle motors for HDDs sales and new fields such as water-cooling modules for AI data centers. Operating profit increased ¥15,172 million to ¥41,130 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to the impact of increased sales as well as an improved product mix of including spindle motors for HDDs for near-line applications and water-cooling modules for AI data centers.

Net sales of AMEC increased ¥11,106 million to ¥350,854 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase due to capturing demand for electric power steering motors, electric brakeboosters, and other demand for advanced electrification for advanced safety equipment and autonomous driving and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit (loss) was ¥3,004 million operating loss for the year ended March 31, 2025 due to recording the restructuring costs.

Net sales of MOEN increased ¥114,398 million to ¥577,907 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to an increase of the demand for power generators and related to green innovation, a positive effect of the fluctuations of the foreign currency exchange rates and the influence on the consolidation of Nidec PSA emotors. Operating profit increased ¥9,034 million to ¥70,319 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to the impact of the higher sales, steady progress in cost reductions, the significant reductions in fixed costs, and the recording of the gain on step acquisition of Nidec PSA emotors.

Net sales of ACIM increased ¥29,786 million to ¥467,776 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to an increase in sales for commercial and industrial motors and a positive effect of the fluctuations of the foreign currency exchange rates. Operating profit decreased ¥1,999 million to ¥40,647 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This decrease was due to a temporary cost increase related to promoting rationalization of dispersed bases mainly in Europe.

Net sales of Nidec Machinery and Automation increased ¥13,840 million to ¥220,924 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to the impact of new consolidation. Operating profit decreased ¥10,525 million to ¥17,828 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This decrease was due to a temporary production capacity decline caused by the consolidation of production systems in the machine tool related business, and cost increase. In addition, NIDEC had temporary revenue such as gain on sale of real estate, etc. in the previous year.

Net sales of the Group Company Business segment increased ¥30,421 million to ¥665,057 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to an increase in sales of Nidec Instruments and Nidec Precision. Operating profit increased ¥12,007 million to ¥87,589 million for the year ended March 31, 2025 compared to the year ended March 31, 2024. This increase was due to an increase in sales.

Operating results by product category are as follows:

(Yen in millions)

	For the years ended March 31,					
	Net sales			Operating profit		
	2024	2025	Increase or decrease	2024	2025	Increase or decrease
Small precision motors	415,709	487,889	72,180	37,474	58,370	20,896
Automotive products	580,909	664,623	83,714	(31,192)	25,780	56,972
Appliance, commercial and industrial products	966,082	1,052,655	86,573	114,874	118,305	3,431
Machinery	298,375	314,591	16,216	43,169	37,914	(5,255)
Electronic and optical components	81,839	84,404	2,565	13,214	14,039	825
Other products	4,245	3,651	(594)	349	207	(142)
Elimination/corporate	-	-	-	(16,032)	(16,499)	(467)
Consolidated total	2,347,159	2,607,813	260,654	161,856	238,116	76,260

Net sales of small precision motors increased 17.4% to ¥487,889 million for this fiscal year compared to the previous fiscal year. Net sales of spindle motors for HDDs increased 41.9% to ¥100,219 million for this fiscal year compared to the previous fiscal year, mainly due to higher sales of the high-value-added products for near-line HDDs. Net sales of other small precision motors increased 12.3% to ¥387,670 million compared to the previous fiscal year because sales increased in new fields such as water-cooling modules for AI data centers. Operating profit increased 55.8% to ¥58,370 million for this fiscal year compared to the previous fiscal year due to the impact of increased sales as well as an improved product mix, such as spindle motors for HDDs for near-line applications and water-cooling modules for AI data centers.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥17,300 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥1,200 million compared to the same period of the previous year.

Net sales of automotive products increased 14.4% to ¥664,623 million for this fiscal year compared to the previous fiscal year. In the Automotive organic business (existing business), NIDEC captured demand for electric power steering motors, electric brake boosters, and other products in anticipation of increased global demand for advanced electrification for advanced safety equipment and autonomous driving. operating profit increased ¥56,972 to ¥25,780 million for this fiscal year compared to the previous fiscal year. This is because of promoting the fundamental improvement measures under the Appliance Commercial Industrial Motors Business Unit (ACIM), in addition to addressing the downturn in the European market in the Automotive organic business (existing business). In the Battery EV related business, this is due to the acquisition resulting from the consolidation of Nidec PSA emotors which are in the progress in mass production, the effects of structural reforms to a strategic shift which prioritizes profitability in the Chinese market, and persistent efforts to reduce costs in sales and fixed costs.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥23,200 million compared to the same period of the previous year.
- Operating profit : Negative effect by approximately ¥1,900 million compared to the same period of the previous year.

Net sales of appliance, commercial and industrial products increased 9.0% to ¥1,052,655 million for this fiscal year compared to the previous fiscal year. The demand for backup power generators for data centers, Battery energy storage systems (BESS) accelerated by green innovation related demand, and large-size motors, which are associated with updating the social infrastructure, is expanding. operating profit increased 3.0% to ¥118,305 million for this fiscal year compared to the previous fiscal year. This is due to improvement of the product mix as the energy field expands, including generators and BESS and an effect of the fluctuations of the foreign currency exchange rates, although a temporary cost was incurred in advance as a result of promoting rationalization of dispersed bases and integrated production systems mainly in Europe with the aim of profitability improvement.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥52,100 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥6,800 million compared to the same period of the previous year.

Net sales of machinery increased 5.4% to ¥314,591 million for this fiscal year compared to the previous fiscal year, mainly due to the impact of the new consolidation and higher sales of LCD panel handling robots. Operating profit decreased 12.2% to ¥37,914 million for this fiscal year compared to the previous fiscal year. This is because NIDEC had lower sales of highly profitable semiconductor inspection systems due to the economic cycle, a temporary cost increase and production capacity decline caused by the consolidation of production systems in the machine tool related business. In addition, NIDEC had temporary revenue such as gain on sale of real estate, etc. in the previous year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥6,300 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥500 million compared to the same period of the previous year.

Net sales of electronic and optical components increased 3.1% to ¥84,404 million and operating profit increased 6.2% to ¥14,039 million for this fiscal year compared to the previous fiscal year.

Effect of the fluctuations of the foreign currency exchange rates to net sales and operating profit for this fiscal year is as follows.

- Net sales : Positive effect by approximately ¥1,900 million compared to the same period of the previous year.
- Operating profit : Positive effect by approximately ¥100 million compared to the same period of the previous year.

Net sales of other products decreased 14.0% to ¥3,651 million and operating profit decreased 40.7% to ¥207 million for this fiscal year compared to the previous fiscal year.

(3) Financial position

Our cash and cash equivalents increased ¥29,234 million to ¥246,239 million as of March 31, 2025 from ¥217,005 million as of March 31, 2024. This increase was due to a net cash outflow from investing activities of ¥147,255 million for such as additions of fixed asset and a net cash outflow from financial activities of ¥80,193 million, although they were supplemented by a net cash inflow from operating activities of ¥284,428 million. In order to use our working cash reserves efficiently, we continue to utilize surplus funds inside the NIDEC group by making effective use of our cash management systems (the CMSs) that we established on a region-by-region basis including Japan, China, U.S. and other countries. In addition, we have linked the CMSs one to another for expanding the CMSs network globally. As of March 31, 2025, approximately 65% of our cash and cash equivalents were held by our consolidated subsidiaries outside Japan.

NIDEC participates in an arrangement with a single financial institution to carry out notional pooling within the NIDEC group, including overseas subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution based upon our aggregate cash deposits within the same financial institution. Therefore, cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cross-border cash transfers between group companies are subject to restrictions in certain circumstances. Where local restrictions prevent efficient intercompany transfers of funds, particularly to Nidec Corporation from its subsidiaries outside Japan, Nidec Corporation seeks to meet its liquidity needs through ongoing cash flows, external borrowings, or both, as further discussed below. We do not expect such restrictions on transfers of funds held outside Japan to have a material effect on our overall liquidity, financial condition or results of operations.

Our short term borrowings increased ¥50,756 million to ¥93,710 million as of March 31, 2025 compared to March 31, 2024. The short term borrowings as of March 31, 2025 consisted of borrowings from banks denominated in Yen. We had no commercial paper outstanding as of March 31, 2025.

Our long term debt due within one year increased ¥20,721 million to ¥163,849 million as of March 31, 2025 compared to March 31, 2024. This was mainly due to an increase of ¥21,480 million for reclassification to long term borrowings due within one year, an increase of ¥131,495 million for reclassification to corporate bonds due within one year and a decrease of ¥130,000 million for redemption of corporate bonds due within one year. The long term debt due within one year as of March 31, 2025 consisted of Unsecured Bonds.

Our long term debt decreased ¥36,330 million to ¥378,487 million as of March 31, 2025 compared to March 31, 2024. This was mainly due to a decrease of ¥131,495 million for reclassification to corporate bonds due within one year, an increase of ¥71,787 million for borrowing and an increase of ¥46,542 million for new consolidation. The long term debt as of March 31, 2025 consisted of the borrowings from banks denominated in Yen and Unsecured Bonds.

The total par values of corporate bonds carried on the consolidated statements of financial position as of March 31, 2025, were as follows:

Issue	Month of issuance	Total par value	Maturity	Use of proceeds
Eleventh Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause) (Green bond)	November 2019	20 billion yen	November 2026	Manufacturing traction motors for electric vehicle
Euro-Denominated Senior Unsecured Bonds (Green bond)	March 2021	500 million euro	March 2026	Manufacturing traction motors for electric vehicle
Thirteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	July 2022	30 billion yen	July 2025	Redemption of corporate bonds and repayment of short term borrowings
Fourteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	July 2022	20 billion yen	July 2032	Redemption of corporate bonds and repayment of short term borrowings
Fifteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	November 2022	20 billion yen	November 2025	Redemption of corporate bonds and repayment of short term borrowings
Sixteenth Series of Domestic Unsecured Bonds (with limited inter-bond pari-passu clause)	November 2022	50 billion yen	November 2027	Redemption of corporate bonds and repayment of short term borrowings

The above corporate bonds, except for Euro-Denominated Senior Unsecured Bonds, were issued pursuant to three shelf registration statements filed with the Director-General of the Kanto Local Finance Bureau. The first, filed in March 2019, was valid from April 5, 2019, through April 4, 2020, authorizing up to ¥300 billion of bond issuance. The second, filed in April 2020, was valid from April 9, 2020, through April 8, 2021, authorizing up to ¥300 billion of bond issuance. The third, filed in April 2022, was valid from April 9, 2022, through April 8, 2024, authorizing up to ¥600 billion of bond issuance. We registered these issuance for the purpose of improving our financial stability through diversifying our financing methods by establishing a system that provides NIDEC with flexible availability of funds as required to complement our procurement of funds through indirect financing from financial institutions. A substantial portion of our unsecured funding is raised by the parent company (Nidec Corporation), and is then lent to its subsidiaries to meet their respective capital requirements. Through this funding approach, we seek to lower our financing costs, maintain sufficient lines of credit and ensure agile funding for our group companies.

We expect to seek additional financing in connection with, among other things, our future mergers and acquisitions, research and development activities and facility investments. We may also consider and obtain additional financing in order to enhance our financial agility in mergers and acquisitions, research and development activities, and facility investments in the future.

As of the filing date, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 13,000,000 shares of treasury stock and an aggregate of ¥35 billion of treasury stock between May 28, 2025 and May 27, 2026. And, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 10,000,000 shares of treasury stock and an aggregate of ¥35 billion of treasury stock between May 27, 2024 and May 26, 2025. From May 27, 2024 to March 31, 2025, we repurchased an aggregate of 2,920,300 shares for approximately ¥7,800 million under the plan. And, we have a share repurchase plan pursuant to which we are authorized to repurchase the lesser amount of an aggregate of 4,000,000 shares of treasury stock and an aggregate of ¥11 billion of treasury stock between January 25, 2024 and May 24, 2024. From January 25, 2024 to March 31, 2025, we didn't repurchase any shares under the plan.

We believe that these funding sources, together with our cash flows from operating activities and undrawn credit lines will sufficiently meet our future capital requirements.

Total assets increased ¥155,584 million to ¥3,315,293 million as of March 31, 2025 compared to March 31, 2024. This was due to the consolidation of Nidec PSA emotors, which primarily resulted in an increase of ¥54,574 million in property, plant and equipment, an increase of ¥29,332 million in trade and other receivables, and an increase of ¥29,921 million in intangible assets.

Total liabilities increased ¥70,012 million to ¥1,571,500 million as of March 31, 2025 compared to March 31, 2024. This was due to an increase of net sales, which resulted in an increase of ¥48,641 million in trade and other payables and the consolidation of Nidec PSA emotors, which primarily resulted in an increase of ¥35,147 million in interest-bearing debt.

Our working capital (subtract total current liabilities from total current assets) decreased ¥20,276 million to ¥561,787 million as of March 31, 2025 compared to March 31, 2024. Accounts receivable (trade and other receivables) turnover ratio (net sales divided by account receivables) increased 0.2 to 3.7 as of March 31, 2025 compared to March 31, 2024. In addition, inventory turnover ratio (cost of sales divided by inventories) increased 0.4 to 3.7 as of March 31, 2025 compared to March 31, 2024.

Total equity attributable to owners of the parent increased ¥85,668 million to ¥1,717,149 million as of March 31, 2025 compared to March 31, 2024. This was mainly resulted from an increase of ¥118,601 million in retained earnings and a decrease of ¥24,620 million in other components of equity mainly due to decreases of foreign currency translation adjustments. Ratio of total equity attributable to owners of the parent to total assets increased to 51.8% as of March 31, 2025 from 51.6% as of March 31, 2024.

(4) Cash flows

1) Status of capital needs

Our principal capital needs include (1) purchases of property, plant and equipment and other assets, (2) research and development activities, (3) purchases of raw materials, (4) employees' salaries, wages and other payroll costs, (5) mergers and acquisitions, (6) investments in subsidiaries, (7) repayment of short term borrowings and long term debt, and (8) purchase of treasury stock. As of March 31, 2025, we had ¥576,593 million of trade and other payables, ¥93,710 million of short term borrowings, and ¥542,336 million of long term debt, including the long term debt due within one year.

Investments for the purchase of property, plant, equipment and other assets totaled ¥120,711 million for the fiscal year ended March 31, 2025. We plan to invest ¥140,000 million in additions to property, plant and equipment for the fiscal year ending March 31, 2026. Outstanding commitments for the purchase of property, plant and equipment and other assets amounted to ¥15,351 million as of March 31, 2025.

Our expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥102,485 million. Similar levels of expenditures are planned for the fiscal year ending March 31, 2026.

In the fiscal year ended March 31, 2025, we acquired the following companies.

Company name	Geographic	Principal Businesses
Linear Transfer Automation Inc.	North America	Manufacturing, sales and service for press peripheral equipment
Linear Automation USA Inc.	North America	Manufacturing, sales and service for press peripheral equipment
Presstrader Limited	North America	Manufacturing, sales and service for press peripheral equipment

We intend to continue to seek opportunities for acquiring other companies and making additional investments in our subsidiaries.

2) Status of funding raising

NIDEC's required funds will be procured by cash flow from operating activities, borrowing from multiple financial institutions with good business relationships, issuance of corporate bond under the domestic bond shelf registration of ¥600 billion and a commercial paper program of ¥100 billion, and others, promoting a diversification of our financing means. As a general rule, we do not procure funds from financial institutions for our group companies, but we continue to promote the unification of fund raising and capital efficiency through intra-group financing using the cash management system of the controlling company and others.

(5) Production, Orders Received and Sales

1) Production results

Consolidated production results by reporting segment for the year ended March 31, 2025 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
SPMS	291,247	102.0
AMEC	297,386	110.4
MOEN	507,084	110.0
ACIM	430,094	104.3
Nidec Machinery and Automation	183,970	103.9
Group Company Business	701,870	107.9
Total	2,411,651	106.9

(Notes) 1. Amounts are recorded at sales price, including intersegment transfers.

2. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

2) Orders received

Consolidated orders received by reporting segment for the year ended March 31, 2025 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)	Balance (Yen in millions)	Current to previous year ratio (%)
SPMS	393,545	118.5	27,393	107.1
AMEC	346,016	101.4	13,582	82.8
MOEN	638,719	134.8	402,353	117.3
ACIM	459,505	113.8	62,907	94.7
Nidec Machinery and Automation	209,686	98.5	106,664	96.0
Group Company Business	453,102	103.2	78,215	91.9
Total	2,500,573	113.5	691,114	106.7

(Notes) 1. Intersegment transactions are eliminated.

2. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

3) Revenues

Consolidated revenues by reporting segment for the year ended March 31, 2025 were as follows:

Reporting segment	Amount (Yen in millions)	Current to previous year ratio (%)
SPMS	391,265	118.4
AMEC	348,685	103.0
MOEN	573,921	124.8
ACIM	462,269	108.0
Nidec Machinery and Automation	213,386	104.4
Group Company Business	618,287	105.5
Total	2,607,813	111.1

(Notes) 1. Intersegment transactions are eliminated.

2. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

5. Material Agreements, etc.

(1) Cross license agreement

Party	Counterparty	Country	Item under contract	Contract description	Contract period
Nidec Corporation (The Company)	NTN Corporation	Japan	Motors with Fluid dynamic bearing (B, G type) (Mainly for 3.5-inch HDD)	Cross license agreement of patents, etc. *1	From July 24, 2009 to May 7, 2030. (Renew or extend the contract if the Company and NTN Corporation agree)
Nidec Corporation (The Company)	Panasonic Corporation	Japan	Fluid dynamic bearing and spindle motors for HDD	Cross license agreement of patents, etc. *2	From April 1, 2013 to the expiration of the patent under contract

(Notes) *1. This is an agreement under which the Company pays consideration to NTN Corporation twice a year continuously.

*2. This is an agreement under which the Company pays consideration to Panasonic Corporation at once.

(2) Share purchase and transfer Agreement

(Linear Transfer Automation Inc., Linear Automation USA Inc., Presstrader Limited)

The Company's Board of Directors has approved a resolution to acquire the share of Linear Transfer Automation Inc., Linear Automation USA Inc., and Presstrader Limited (collectively "Linear"), privately-owned Canadian companies, from its shareholders on September 27, 2024 (Japan time). The Company executed an agreement on the Transaction of share on September 30, 2024 (Canada time).

1. Purpose

Linear engineers, manufactures, integrates and provides services for in-line parts/material transfer and post-process automation equipment in the metal forming press room process. NIDEC has expanded its press machine manufacturing, sales, and service business globally, as well as increased its lineup of presses and peripheral equipment products with M&As. Through the Transaction, NIDEC will be able to pursue synergies in terms of products, sales, technology and management.

2. Information on Linear Transfer Automation Inc., Linear Automation USA Inc., and Presstrader Limited

Company Name	(i) Linear Transfer Automation Inc. (ii) Linear Automation USA Inc. (iii) Presstrader Limited
Headquarters	Barrie, Ontario, Canada
Foundation	1994
Business	Manufacturing, sales and service for press peripheral equipment

(Note) Linear implemented an absorption-type merger on Octobrt 1, 2024 in which Linear Transfer Automation Inc. was the surviving company and Presstrader Limited was the absorbed company.

(Changzhou Xecom Energy Technologies Co., Ltd.)

The Company has acquired full ownership of Changzhou Xecom Energy Technologies Co., Ltd., a privately owned Chinese company ("Xecom") , through the Company's subsidiary, Nidec Appliance Controls (Qingdao) Co., Ltd , on July 8, 2025.

From the effective day, Xecom is renamed Nidec Scroll Technology (Changzhou) Co., Ltd.

1. Purpose

NIDEC has been actively developing a new growth platform with particular focus on appliance, commercial and industrial motors businesses. As part of this strategy, the Company has been pursuing strategic acquisitions in the field of appliance motors: in January 2010 NIDEC acquired Sole Motors and in July 2019, NIDEC acquired Embraco aiming to further expand its refrigeration compressor business. Now, with acquisition of this scroll compressor technology, the Company will be able to expand and consolidate its presence in the refrigeration segment and make it able to join new fields in the air conditioning and heat pump markets and continue to contribute to the sales and profits of the entire Nidec group.

2. Information on Changzhou Xecom Energy Technologies Co., Ltd.

Company Name	Nidec Scroll Technology (Changzhou) Co., Ltd. (Former Changzhou Xecom Energy Technologies Co., Ltd.)
Headquarters	Changzhou City, Jiangsu Province, China
Foundation	2021
Business	Design and production of high performance Scroll Compressors for Air Conditioning, Heat Pump and Refrigeration

6. Research and Development

The NIDEC Group takes a long-term perspective in its research and development activities, pursuing "higher motor efficiency that contributes to a decarbonized society" and "smaller, lighter motors that promote resource conservation." At the same time, we are also focusing on creating added value on a modular basis through optimal combinations of key components. Building an R&D system that reliably connects the rapidly changing needs of society with the sustainable growth of the NIDEC Group is an urgent task.

With this in mind, the NIDEC Group has defined five priority areas on which to focus for sustainable growth.

- ① Base of AI Society (heat management/reducing power consumption for cooling)
: Data centers, semiconductor inspection equipment/wafer transport equipment
- ② Sustainable Infrastructure and Energy (promotion of renewable energy)
: Smart grids, generators, Battery Energy Storage System (BESS)
- ③ Efficient Manufacturing (improving operational efficiency)
: Machine tools/press machines, precision reduction gears, logistics (drones)
- ④ Better Life (electrification of air conditioning/improved efficiency)
: Commercial facilities (air conditioning/elevators), heat pumps, household appliances
- ⑤ Mobility Innovation (electrification/hybridization)
: Automotive parts, electric motorcycles, flying cars (eVTOL), hybridization (railroads/ships)

These fields are new needs that have arisen against the backdrop of global social issues such as reducing CO2 emissions, increasing data volume, aging and labor shortages, and are promising markets where the NIDEC Group can utilize the technological capabilities it has cultivated. We will concentrate our management resources to promote product development related to these priority fields.

Our expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥102,485 million.

In addition to the R&D departments established in each business headquarters, there is a company-wide (common) R&D department that does not belong to any segment. Nidec Shin-Kawasaki Technology Center and Nidec Research and Development Center, Taiwan to research fundamental technologies on motors in general, which are essential for future business, and are promoting further sophistication of elemental technologies such as electronic circuits, heat, noise/vibration, and control. In addition, Nidec Keihanna Technology Center is conducting R&D centered on the evolution of production technology that is not limited to the framework of existing manufacturing methods, such as the realization of smart factories using robots and IoT, the development of new materials and new systems, inspection technology innovation, data analysis, and simulation. These research bases play a role in creating technological synergy between each development department and diversifying domestic and overseas group companies, and accelerating growth.

Furthermore, we have launched the Global Technology Strategy Committee as a strategic initiative to further accelerate these product and technology developments. The NIDEC Group has accumulated a wide range of know-how, not only in motor technology that has been cultivated for more than 50 years since its founding, but also in elemental technology, processing technology, software technology, etc. However, these valuable technological assets have not been shared or utilized sufficiently across divisional boundaries. The aim of the Global Technology Strategy Committee is to overcome this issue and establish a strong core competence that will bring together the technological capabilities of the entire Group and create new businesses. Through this committee, we will deepen the sharing of knowledge and collaboration across the Group and accelerate innovation.

The expenditures for research and development activities for the fiscal year ended March 31, 2025, which are categorized as "Corporate" were ¥5,147 million.

A status report of the research and development activities and the associated research and development expenses by business segment are as follows:

(1) SPMS

In the SPMS segment, we conduct basic and applied research on precision small motors in general, such as precision small DC motors and fan motors, propose thermal solutions such as water-cooling modules, research and development of new products, and provide technical support research at each base.

We develop CDU (Coolant Distribution Unit), QC (Quick Coupling), LCM (Liquid Cooling Module), and LCM (Liquid Cooling Module) as optimal cooling solutions for processors installed in high-performance computing servers, mainly AI servers. We also focus on the development of fan motors for communications and IT.

The SPMS segment's expenditures for research and development activities for the fiscal year ended March 31, 2025 were ¥26,779 million.

(2) AMEC

In the AMEC segment, we are engaged in research and development aimed at the mass production of new products and new models, and the improvement of product quality of various in-vehicle motors, including those for driving electric vehicles (EV) which will contribute to the realization of a decarbonized society.

Our research and development activities during the fiscal year ended March 31, 2025 were as follows:

We are mainly developing the Electric Power Steering motor, Brake motor which has the feature of "smaller" & "high performance", in addition all the actuators installed in vehicle (clutch, seat, sunroof actuators etc.,) and its electronics and module systems, moreover Pump Actuators for thermal management and BSG (Belt Stator Generator) Motor for mild Hybrid system. Recently Chassis is shifting to Steer By Wire gradually, therefore advanced development for such as new areas are also reinforced and promoted.

We are strengthening the development of drive systems (E-Axle) and components for electric vehicles (EVs). We have advanced from the conventional 3-in-1 system (inverter, gear, and motor) by integrating power supply functions to create a 7-in-1 system. By integrating multiple functions at the vehicle level, we have significantly reduced space and raw material usage, while promoting thorough local procurement. This has enabled us to achieve compactness, lightweight design, and cost reduction, leading to the mass production of the third-generation E-Axle for EVs.

Furthermore, we are working on the development of the next-generation 7-in-1 E-Axle, which features enhanced system efficiency through high-speed rotation, a new cooling structure, and advanced control technologies. At the same time, we are focusing on the development of components such as stators and rotors.

At the same time, we are proceeding with the development of magnetfree driving motors for next-generation EV as part of the Green Innovation Fund project established by the New Energy and Industrial Technology Development Organization (NEDO) to realize decarbonized society. Additionally, we are developing integrated systems that combine sensors and control devices with E-Axles and in-vehicle motors.

The AMEC segment's expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥14,283 million.

(3) MOEN

In the MOEN segment, we are conducting research and development activities aligned with current market and societal needs, driven by trends such as the decarbonization of society, AI, and labor and energy efficiency.

These activities include supporting the spread of renewable energy through "battery energy storage systems," developing "backup power generators" essential for the rapidly increasing number of data centers, and creating "automated transport robots" that directly contribute to labor-saving efforts. Additionally, with an eye toward further societal advancement, we are focusing on the research and development of motors and control unit for electric vertical takeoff and landing aircraft (eVTOL), which expand the possibilities for next-generation mobility solutions.

- Power quality stabilization solutions
 - Battery Energy Storage System (BESS)
 - Electric vehicle charging station
 - Power Quality Stabilization Solutions for Renewable Energy
- Industrial and data center electrical generators
 - Industrial / commercial / residential / construction electrical generators
 - Communication base station electrical generators
- Industrial Automation
 - Automatic transport robot drive mechanism module
 - Joint module for robot arms
- Electric equipment for construction machinery and commercial vehicles
 - Utility Task Vehicle, motors, gears and control units for golf carts
 - Large traction motor
 - Motors, gears and control units for aerial work vehicles, and material handling
- Drive units
 - Small universal drives
 - Drives for various industries such as pumps and air conditioning
 - High power drives for infrastructure
- Elevator
 - Slim traction machine for MRL (Machine Roomless Elevator), gearless traction machines for freight elevators
 - Control unit and peripheral equipment
 - Package solutions for traction machine and control unit
- Parts for electric vehicles
 - EV traction motor
- Other products developed for new markets
 - Motors and control unit for electric vertical takeoff and landing aircraft
 - Motors and control units for high altitude (sub-stratospheric) airframe platforms

The MOEN segment's expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥17,120 million.

(4) ACIM

In the ACIM segment, we primarily research and develop motors, pumps, refrigerator compressors, condensing units, and electronic drives for home appliances, alongside residential, commercial, and industrial applications. Particularly for industrial use, we are focusing on more efficient motors (IE4, IE5) and large, highly efficient inverters, which contribute to energy conservation in industrial facilities by reducing the overall power consumption of motors. During the fiscal year ending March 31, 2025, our research and development activities included the following:

- Home appliance applications: motors for washing machines, dryers, dishwashers, and refrigerator compressors.
- Residential and commercial applications: pumps, motors for air conditioners, professional appliances, and systems for commercial refrigeration.
- Industrial applications: IE3, IE4, and IE5 compliant motors, including those for various water supply and sewage pumps, irrigation systems, air compressors, and the oil, gas, and refining industries. Additionally, large inverters (up to 3MW)
- New research and development initiatives focus on electric propulsion (emotor and inverters) for mid-sized passenger aircraft.

The ACIM segment's expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥11,846 million.

(5) Nidec Machinery and Automation Business

In the NMAB segment, we develop reducer-related products, which are essential components of robots and automated equipment to alleviate labor shortages, in Japan, China, and Germany. We also develop a wide range of press-related products, from small high-speed precision presses to extra-large servo presses, and peripheral equipment such as high-speed feeders, in Japan, the United States, Spain, and Germany. We develop machine tools for automobiles and auto parts, molds, construction machinery, and electrical and precision machinery in Japan.

For reducer-related products, we are conducting research and development activities centered on the precision control reducer FLEXWAVE (especially the "Smart FLEXWAVE" with built-in multi-sensors for driving the joints of collaborative robots), the large reducer KINEX series, and the high-precision planetary reducer VR series, which is highly efficient and has a wide variety of models. We are focusing on product development aimed at installing them in industrial robots, machine tools, and automated equipment, targeting not only the Japanese market but also the Asian, European, and American markets.

For press-related research and development, we are conducting research on preventive and predictive maintenance systems aimed at efficient operation of press lines and reducing maintenance costs.

In the machine tool business, we are promoting development by applying key technologies such as automation, high precision, integration, large size/fineness to each product, targeting overseas markets, particularly China and India, where growth is expected to continue.

For gear machines, we are promoting automation and integration, including peripheral applications such as transport and measurement, in addition to the main body, processing, and software, in order to meet the need for high precision and high efficiency in gear accuracy due to the shift to EVs. We also exhibited a multi-function machine that integrates hobbing and chamfering processes at CIMT (China International Machine Tool Fair) held in China in April.

For large machines, we are working to increase the size and precision of workpieces, which are growing in the EV and energy markets. For gate-type 5-face machining centers, we are focusing on the development of attachments that can efficiently process large engines for data center generators, for which demand is rapidly increasing worldwide, and on research and development of digital twin technology and control software to improve the productivity of automotive molds.

For laser processing machines, we are conducting research and development to further improve the precision and speed of fine holes, as well as to accommodate complex and fine shapes, and for metal 3D printers, to meet the needs of the automotive and aircraft fields, where use cases are beginning to emerge in Japan.

In machining centers, we are focusing on automation and labor-saving, along with the development of high-value-added 5-axis and multi-tasking machines. We are developing a model of a three-dimensional pallet system attached to the vertical 5-axis machining center VB-X650, which was exhibited at JIMTOF (Japan International Machine Tool Fair) in 2024. We also plan to exhibit it at the EMO Show (European International Machine Tool Fair) to be held in Germany in September 2025.

In lathes, we have launched the "Compact Multi-Tasking Lathe TCY Series" to meet the needs of high-mix low-volume production and process consolidation, and the "Multi-Tasking Machine TMX-4000 II, TS-4000YS with Gear Machining Application" that leverages the synergy effect of the machine tool group to meet the needs of gear machining on general-purpose machines. We also exhibited a Swiss-type automatic lathe at the exhibition, announcing our entry into the small lathe market.

The NMAB segment's expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥2,368 million.

(6) Group Companies

The Group Companies segment develops products in a wide range of fields.

We develop stepping motors, smartphone and game-related products, motor drive unit products, and system equipment-related products as "karakuri-tronics" products that combine motor and servo technologies.

In the automotive field, as electrification and electrification progress, the need for functions that match the vehicle price is increasing, and there is a need for cybersecurity functions in vehicles that can be connected to the Internet. We are focusing on the development of zone ECUs that integrate certain functions to improve performance and reduce costs, ECUs for actuators, and DCDC converters for HVs. In addition, we released the world's first electric clutch ECU for motorcycles, improving convenience and reducing driving burden. We also flexibly respond to the needs of automobile manufacturers by establishing an overseas development system and introducing requirement management tools.

In the electronic equipment market, capital investment in products for AI servers is on the rise, and we are developing new inspection equipment.

For motors for air conditioning and home appliances, we are working to improve magnetic and control circuits and replace copper with aluminum as winding material in order to save energy and materials and improve motor performance. As air conditioners become more widespread in emerging countries, we are developing products with improved robustness by reviewing motor structures and protection circuits to suit the diversifying usage environments.

For industrial motors, we are developing products that combine efficiency and customizability, accelerating market expansion in response to increasing demand accompanying automation and the introduction of renewable energy.

The main research and development targets are as follows:

- Automobile body control
 - Body control module
 - Door peripheral control unit including power window switch
 - Smart entry system for motorcycles
- Power electronics business
 - Electric power steering ECU
 - DC/DC converter for electric vehicles
 - On-board charger
- Smartphones and games
 - Optical image stabilization for smartphones
 - Haptic devices
- Motor drive unit
 - On-board thermal management
 - Products that integrate small motors, sensors, control software, etc.
- System equipment
 - Peripheral devices for various card media Security-enhancing equipment
 - Liquid crystal and organic EL display-related equipment
 - Semiconductor robot-related equipment
 - Conveying equipment in vacuum equipment
- Inspection equipment
 - Optical automatic inspection equipment for semiconductor wafers
 - Automatic inspection equipment for semiconductor packages
 - Inspection equipment for printed circuit boards, touch panels, and FPCs
- Air conditioning and home appliance motors
 - Home and commercial fan motors
- Industrial motors
 - Pumps (general-purpose pumps, hydraulic pumps, etc.)
 - Fans and blowers (blowers, centrifugal fans, cooling towers, etc.)
 - Loading and transport equipment (cranes, hoists, winches, etc.)
 - Explosion-proof environment equipment (crushers, mixers, weighing scales, etc.)

The Group Companies segment's expenditures for research and development activities for the fiscal year ended March 31, 2025 (including expenditures for development costs recorded as intangible assets) were ¥24,942 million.

III. Property, Plant and Equipment

1. Summary of Capital Investment, etc.

The total capital investment in property, plant and equipment for the year ended March 31, 2025 was ¥120,711 million. This mainly consists of capital investment to increase production capacity of overseas subsidiaries.

The amounts of capital investment by segment are as follows:

(Yen in millions)

	For the year ended March 31, 2025
SPMS	12,592
AMEC	23,615
MOEN	25,390
ACIM	19,972
Nidec Machinery and Automation	16,395
Group Company Business	21,771
Corporate	976
Total	120,711

(Note) NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

2. Major Property, Plant and Equipment

Major property, plant and equipment of NIDEC are as follows:

(1) The Company

(As of March 31, 2025)

Name of business place (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Others	Total	
Headquarters (Minami-ku, Kyoto)	Corporate	Head office facilities	2,740	21	3,591 (20)	1,060	7,412	407 (9)
Nidec PARK Building C and Central Technical Laboratory (Muko-city, Kyoto)	SPMS	Head office facilities and development facilities for small precision motors	17,056	122	4,384 (79)	816	22,378	589 (7)
Tokyo Office (Shinagawa-ku, Tokyo)	Corporate	Sales facilities for products	1,080	1	2,026 (2)	48	3,155	37 (1)
Shiga Technical Center (Aisho-cho, Echigo-gun, Shiga)	AMEC	Development facilities for automotive products	2,793	115	1,780 (61)	114	4,802	236 (5)
Nidec Research and Development Center (Saiwai-ku, Kawasaki-city, Kanagawa)	Corporate	Fundamental and applied research facilities	2,622	18	1,281 (6)	184	4,105	202 (-)
Nidec Corporation Head Office ANNEX Global Learning Center (Minami-ku, Kyoto)	Corporate	Employee training facilities	2,553	0	410 (4)	94	3,057	8 (-)
Nidec Center for Industrial Science and Technology (Seika-cho, Soraku-gun, Kyoto)	Corporate	Fundamental and applied research facilities	5,311	432	1,068 (27)	165	6,976	195 (2)

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

4. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to "V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information".

(2) Domestic subsidiaries

(As of March 31, 2025)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Others	Total	
Nidec Drive Technology Corporation (Muko-city, Kyoto)	Nidec Machinery and Automation	Manufacturing facilities for machinery	6,606	2,197	2,370 (129) [21]	6,040	17,213	529 (82)
Nidec Precision Corporation (Itabashi-ku, Tokyo)	Group Company Business	Manufacturing facilities for small precision motors, machinery electronic and optical parts	2,036	2,363	2,906 (61) [127]	5,607	12,912	502 (93)
Nidec Instruments Corporation (Shimosuwa- cho, Suwa-gun, Nagano)	Group Company Business	Manufacturing facilities for small precision motors, automotive products, machinery and electronic parts	4,934	575	4,940 (493) [-]	902	11,351	931 (153)
Nidec Mobility Corporation (Komaki-city, Aichi)	Group Company Business	Manufacturing facilities for automotive products	2,488	1,245	1,968 (11) [-]	717	6,418	478 (285)
Nidec components Corporation (Shinjuku-ku, Tokyo)	Group Company Business	Manufacturing electronic part	3,007	1,050	1,317 (178) [3]	880	6,254	508 (65)

(Notes) 1. Carrying amounts are the carrying amounts of the non-consolidated financial statements based on Japanese GAAP.

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. The figures of "Number of employees" in round bracket are excluded from the number of employees and indicate the annual average number of temporary employees.

4. The figures of "Land" in square bracket are excluded from the area of land and indicate area of leased land (in thousands of m²).

5. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to "V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information".

(3) Overseas subsidiaries

(As of March 31, 2025)

Name of company (location)	Name of segment	Details of major facilities and equipment	Carrying amount (Yen in millions)					Number of employees
			Buildings and structures	Machinery, equipment and vehicles	Land (Area in thousands of m ²)	Others	Total	
Nidec PSA emotors (Carrières-sous- Poissy, France)	MOEN	Manufacturing facilities for appliance, commercial and industrial products	6,197	7,935	- (-) [50]	44,632	58,764	890 (102)
Nidec Automotive Motor (Zhejiang) Corporation (Pinghu, Zhejiang, China)	AMEC	Manufacturing facilities for automotive products	3,880	41,065	- (-) [58]	2,588	47,533	1,865 (498)
Nidec motor (Dalian) Ltd. (Dalian, Liaoning, China)	AMEC	Manufacturing facilities for small precision motors and automotive products	3,603	18,331	293 (-) [40]	5,425	27,652	2,497 (-)
Nidec Global Appliance Brazil Ltda. (Santa Catarina, Brazil)	ACIM	Manufacturing facilities for appliance, commercial and industrial products	5,605	12,393	63 (717) [-]	5,864	23,925	4,028 (229)
Nidec Motors & Actuators (Poland) Sp.z o.o. (Niepolomice, Poland)	AMEC	Manufacturing facilities for automotive products	5,342	15,126	289 (74) [-]	2,610	23,367	1,239 (355)

(Notes) 1. Carrying amounts are based on IFRS Accounting.

2. Others in carrying amounts is the sum of tools, furniture and fixtures and construction in progress.

3. The figures of "Number of employees" in round bracket are those of the annual average number of temporary employees, which are excluded from the number of employees.

4. The figures of "Land" in square bracket are excluded from the area of land and indicate area of leased land (in thousands of m²).

5. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to "V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information".

3. Plans for Capital Investment, Disposals of Property, Plant and Equipment, etc.

NIDEC determines capital investments considering the economic forecast, the trends of the industry, and investment efficiency, etc. in total. In principle, each of the consolidated companies prepares individual facilities plans.

Plans for new construction and disposition of major facilities as of March 31, 2025 were as follows:

(1) New construction of major facilities, etc.

Name of company or business place	Location	Name of segment	Description	Total planned investment (Yen in millions)	Amount already paid (Yen in millions)	Funding measures	Launch	Completion
Nidec Corporation	Muko, Kyoto	Corporate	2nd head office and group companies' consolidation base	200,000	25,542	Own funds, borrowing	year 2020	year 2030

(2) Disposition of major facilities, etc.

Not applicable.

IV. Information on the Company

1. Information on the Company's Shares, etc.

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued (Shares)
Ordinary share	1,920,000,000
Total	1,920,000,000

2) Issued shares

Class	Number of shares issued as of the end of fiscal year (Shares) (March 31, 2025)	Number of shares issued as of the filing date (Shares) (September 26, 2025)	Stock exchange on which the Company is listed or authorized financial instruments firms association where the Company is registered	Description
Ordinary share	1,192,568,936	1,192,568,936	Tokyo Stock Exchange, Inc Prime Market	This is our standard share. There is no restriction on contents of the right of the share. The number of shares per one unit of shares is 100 shares.
Total	1,192,568,936	1,192,568,936	-	-

(2) Information on the share acquisition rights, etc.

1) Details of share option plans

Not applicable.

2) Description of rights plans

Not applicable.

3) Other information about share acquisition rights

Not applicable.

(3) Information on moving strike convertible bonds, etc.

Not applicable.

(4) Changes in the total number of issued shares, common stock, etc.

Date	Change in the total number of issued shares (Shares)	Balance of the total number of issued shares (Shares)	Change in common stock (Yen in millions)	Balance of common stock (Yen in millions)	Change in capital reserve (Yen in millions)	Balance of capital reserve (Yen in millions)
April, 1, 2020 (Note) 1	298,142,234	596,284,468	-	87,784	-	92,005
October 1, 2024 (Note) 2	596,284,468	1,192,568,936	-	87,784	-	92,005

(Notes) 1. Change due to share split (1:2).

2. Change due to share split (1:2).

(5) Shareholders composition

(As of March 31, 2025)

Category	Status of shares (one unit of shares: 100 shares)								Number of shares less than one unit (Shares)
	Government and municipality	Financial institution	Financial instruments business operator	Other institution	Foreign corporations, etc.		Individuals and others	Total	
					Non-individuals	Individuals			
Number of shareholders	—	131	80	2,447	885	869	167,731	172,143	—
Share ownership (Unit)	—	4,513,335	271,139	832,937	3,152,490	11,510	3,134,845	11,916,256	943,336
Ownership percentage of share (%)	—	37.88	2.28	6.99	26.46	0.1	26.31	100	—

(Notes) 1. Of 44,588,381 treasury stock, 445,883 units are included in the "Individuals and others", while 81 shares are included in the "Number of shares less than one unit".

2. Of the shares registered in the name of Japan Securities Depository Center, Incorporated, 1,425 units are included in the "Other institution" column and 44 shares are included in the "Number of shares less than one unit" column.

(6) Major shareholders

(As of March 31, 2025)

Name	Address	Number of shares held (thousands of shares)	Ownership percentage to the total number of issued shares (Excluding treasury stock) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo	156,397	13.62
Shigenobu Nagamori	Nishikyo-ku, Kyoto	98,948	8.61
Custody Bank, of Japan, Ltd. (trust account)	8-12, Harumi 1-chome, Chuo-ku, Tokyo	60,405	5.26
The Bank of Kyoto, Ltd. (Standing proxy: Custody Bank, of Japan, Ltd.)	700, Yakushimae-cho, Karasuma-dori, Matsubara-Agaru, Shimogyo-ku, Kyoto (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	49,596	4.32
S.N. Kosan, LLC.	518, Akinono-cho, Karasuma-dori, Nijyo-Sagaru, Nakagyo-ku, Kyoto	40,491	3.52
The Bank of Mitsubishi UFJ, Ltd.	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	29,703	2.58
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	In Securities Operations Department, Nippon Life Insurance, 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo (Akasaka Intercity AIR, 8-1, Akasaka 1-chome, Minato-ku, Tokyo)	26,318	2.29
Meiji Yasuda Life Insurance Company (Standing proxy: Custody Bank, of Japan, Ltd.)	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	25,608	2.23
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity A, 15-1 Konan 2-chome, Minato-ku, Tokyo)	22,332	1.94
The Bank of Shiga, Ltd. (Standing proxy: Custody Bank, of Japan, Ltd.)	1-38, Hamamachi, Otsu-shi, Shiga (8-12, Harumi 1-chome, Chuo-ku, Tokyo)	17,643	1.53
Total	-	527,446	45.94

(Notes) 1. Number of shares held has been rounded down to the nearest 1,000 shares.

2. The Number of shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank, of Japan, Ltd. (trust account) for their trustee business is not described because the Company is not able to grasp it.
3. The Company carried out a two-for-one stock split of shares of common stock on October 1, 2024. However, the number of shares owned mentioned above reflects the number of shares held prior to the stock split.
4. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on July 29, 2024, has been received from Mitsubishi UFJ Financial Group, Inc. and states that each of these companies held shares as of July 22, 2024, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2025 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
The Bank of Mitsubishi UFJ, Ltd.	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	14,851,804	2.49
Mitsubishi UFJ Trust and Banking Corporation	4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo	10,412,180	1.75
Mitsubishi UFJ Asset Management Co., Ltd.	9-1, Higashishinbashi 1-chome, Minato-ku, Tokyo	5,774,400	0.97
Total	-	31,038,384	5.21

5. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on September 20, 2024, has been received from Sumitomo Mitsui Trust Bank, Limited and states that each of these companies held shares as of September 13, 2024, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2025 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Sumitomo Mitsui Trust Bank, Limited	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo	7,011,600	1.18
Sumitomo Mitsui Trust Asset Management Co., Ltd.	1-1, Shibakouen 1-chome, Minato-ku, Tokyo	12,594,364	2.11
Nikko Asset Management Co., Ltd.	7-1, Akasaka 9-chome, Minato-ku, Tokyo	10,664,300	1.79
Total	-	30,270,264	5.08

6. The Statement of Changes to a Statement of Large-Volume Holdings, made available for public inspection on November 22, 2022, has been received from Baillie Gifford & Co and states that each of these companies held shares as of November 15, 2022, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2025 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Changes to a Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Baillie Gifford & Co	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	1,572,800	0.26
Baillie Gifford Overseas Limited	Calton Square, 1 Greenside Row, Edinburgh, EH1 3AN Scotland	23,165,889	3.89
Total	-	24,738,689	4.15

7. The Statement of Correction was submitted on September 13, 2023, for the Statement of Changes to a Statement of Large-Volume Holdings that was made available for public inspection on April 7, 2020, from Capital Research and Management Company. It states that each of these companies held shares as of March 31, 2020, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2025 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Correction to a Statement of Changes is as follows. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Capital Research and Management Company	333 South Hope Street, Los Angeles, CA 90071, U.S.A.	9,585,706	3.22
Capital International Inc.	11100 Santa Monica Boulevard, 15th Fl., Los Angeles, CA 90025, U.S.A.	742,855	0.25
Capital International Co., Ltd.	1-1-14F, Marunouchi 2-chome, Chiyoda-ku, Tokyo	1,226,900	0.41
Total	-	11,555,461	3.88

8. The Statement of Large-Volume Holdings, made available for public inspection on September 24, 2024, has been received from Nomura Securities Co., Ltd. and states that each of these companies held shares as of September 13, 2024, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2025 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
Nomura Securities Co., Ltd.	13-1, Nihombashi 1-chome, Chuo-ku, Tokyo	526,150	0.09
NOMURA INTERNATIONAL PLC	1 Angel Lane, London EC4R 3AB, United Kingdom	458,157	0.08
Nomura Asset Management Co., Ltd.	2-1, Toyosu 2-chome, Koto-ku, Tokyo	22,871,800	3.84
Total	-	23,856,107	4.00

9. The Statement of Large-Volume Holdings, made available for public inspection on March 3, 2023, has been received from BlackRock Japan Co., Ltd. and states that each of these companies held shares as of February 28, 2023, as shown below. However, as the Company cannot confirm the actual status of shareholdings as of March 31, 2025 (Record date for the exercise of voting rights), the status of major shareholders shown above is based on the content of the shareholders' register.

The content of said Statement of Large-Volume Holdings is as follows. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The below figures are based on the number of share before the split.

Name	Address	Number of share certificates, etc. held (Shares)	Ownership ratio of share certificates, etc. (%)
BlackRock Japan Co., Ltd.	8-3, Marunouchi, 1-chome, Chiyoda-ku, Tokyo, Japan	9,785,100	1.64
BlackRock Advisers, LLC	251, Little Falls Drive, Wilmington, Delaware, USA	1,078,820	0.18
BlackRock Investment Management LLC	251, Little Falls Drive, Wilmington, Delaware, USA	814,039	0.14
BlackRock (Netherlands) BV	Amstelplein 1, 1096 HA, Amsterdam, Netherlands	1,502,758	0.25
BlackRock Fund Managers Limited	12, Throgmorton Avenue, London, United Kingdom	1,197,620	0.20
BlackRock Asset Management Ireland Limited	1st Floor, 2 Ballsbridge Park, Ballsbridge, Dublin, Ireland	2,461,700	0.41
BlackRock Fund Advisors	400, Howard Street, San Francisco, CA, USA	7,151,800	1.20
BlackRock Institutional Trust Company, N.A.	400, Howard Street, San Francisco, CA, USA	5,756,648	0.97
BlackRock Investment Management (UK) Limited	12, Throgmorton Avenue, London, United Kingdom	695,900	0.12
Total	-	30,444,385	5.11

(7) Information on voting rights

1) Issued shares

(As of March 31, 2025)

Classification	Number of shares (Shares)	Number of voting rights	Description
Shares without voting rights	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (others)	-	-	-
Shares with full voting rights (treasury stock, etc.)	Ordinary share 44,588,300	-	-
Shares with full voting rights (others)	Ordinary share 1,147,037,300	11,470,373	-
Shares less than one unit	Ordinary share 943,336	—	-
Number of issued shares	1,192,568,936	—	-
Total number of voting rights	-	11,470,373	-

- (Notes) 1. The "Shares with full voting rights (others)" row includes 142,500 shares registered in the name of Japan Securities Depository Center ("JASDEC") and the "Number of voting rights" column includes 1,425 voting rights for those shares. The "Shares with full voting rights (others)" row includes 900 shares registered in the name of Nidec Drive Technology Corporation (shares that were not registered when the shares were exchanged with the Company on October 1, 2003) and the "Number of voting rights" column includes 9 voting rights for those shares. Nidec Drive Technology Corporation does not substantially own the 900 shares (9 voting rights) registered in its name.
2. Ordinary shares in the "Shares less than one unit" row include 81 shares of the Company's treasury stock.
3. Ordinary shares in the "Shares with full voting rights (others)" row include 1,140,200 shares (11,402 voting rights) of the BIP Trust and 532,400 shares (5,324 voting rights) of the ESOP Trust.
4. The "Shares with full voting rights (treasury Stock, etc.)" column consists entirely of treasury stock owned by Nidec Corporation.

2) Treasury stock, etc.

(As of March 31, 2025)

Name of shareholder	Address	Number of shares held under own name (Shares)	Number of shares held under the name of others (Shares)	Total number of shares held (Shares)	Ownership percentage to the total number of issued shares (%)
Nidec Corporation	338 Kuzetonoshiro-cho, Minami-ku, Kyoto	44,588,300	-	44,588,300	3.73
Total	-	44,588,300	-	44,588,300	3.73

(Note) The Company's shares owned by the BIP Trust and the ESOP Trust are not included in the above treasury stock.

(8) Officer/employee stock ownership plans

① Performance-linked share-based remuneration plan for Members of the Board of Directors et al. of NIDEC

In FY2018, the NIDEC Group introduced a performance-linked share-based remuneration plan (the "Plan") for the Company's Members of the Board of Directors (excluding Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and other executives equivalent in rank thereto (the "Members of the Board of Directors et al. of NIDEC") and for our major group companies' Members of the Board of Directors (excluding outside Members of the Board of Directors) and Executive Officers (the "Members of the Board of Directors et al. of NIDEC Group", collectively referred to as the "Members of the Board of Directors et al. of NIDEC" are inclusive of our company directors and are collectively referred to as the "Eligible Board Members"). This Plan was partially revised in the 51st Regular General Meeting Shareholders held on June 18, 2024.

1) Overview of the Plan

The Plan is structured as a BIP (Board Incentive Plan) trust (the "BIP Trust"). The BIP Trust is a share-based remuneration plan for officers that grants Company shares and pay cash proceeds from the liquidation of Company shares to the Eligible Board Members based on their rank, operating performance targets' degree of attainment, and other factors, like U.S. and European performance share plans and restricted stock plans.

2) Content of trust agreement

Type of trust:	Specified individually operated trust of money other than money trust (third-party benefit trust)
Purpose of trust:	To incentivize the Eligible Board Members
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The Eligible Board Members who meet beneficiary requirements
Trust administrator:	A third-party (certified public accountant) with no interest in NIDEC
Trust extension agreement date:	July 24, 2024
Trust period:	July 26, 2018, through August 31, 2027 (tentative)
Plan inception date:	July 26, 2018
Exercise of voting rights:	Not to be exercised
Class of shares to be acquired:	The Company's ordinary shares
Amount of trust funding:	¥1.77 billion
Share acquisition period:	August 7, 2024
Share acquisition method:	Third-party allotment of the Company's treasury stock.
Rights holder:	The Company
Residual assets:	Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust.

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Total number of shares to be granted to beneficiaries from the BIP Trust

1,137,600 shares (three-year total) (including shares for group companies)

(Note) The above number of shares represents their number after the one-to-two share split on October 1, 2024.

② Performance-linked share-based payment plan for domestic and overseas NIDEC executives

The Company resolved to adopt a performance-linked share-based payment plan (the "Plan") for domestic and overseas executives of NIDEC (the "NIDEC Executives") at the meeting of its Board of Directors held on April 24, 2018. However, company revised a part of the content of this Plan at the meeting of the Board of Directors held on March 2, 2024

1) Overview of the Plan

The Plan is structured as an ESOP (Employee Stock Ownership Plan) trust (the "ESOP Trust"). The ESOP Trust is an employee incentive plan modeled after U.S. ESOP plans. More specifically, it is a share-based payment plan that grants Company shares and pay cash proceeds from the liquidation of Company shares to the NIDEC Executives based on their respective job titles, operating performance targets' degree of attainment, and other factors.

2) Content of trust agreement

Type of trust:	Specified individually operated trust of money other than money trust (third-party benefit trust)
Purpose of trust:	To incentivize the NIDEC Executives
Trustor:	The Company
Trustee:	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
Beneficiaries:	The NIDEC Executives who meet beneficiary requirements
Trust administrator:	A third-party (certified public accountant) with no interest in NIDEC
Trust extension agreement date:	July 24, 2024
Trust period:	July 26, 2018, through August 31, 2027 (tentative)
Plan inception date:	July 26, 2018
Exercise of voting rights:	Not to be exercised
Class of shares to be acquired:	The Company's ordinary shares
Amount of trust funding:	¥770 million
Share acquisition period:	August 7, 2024
Share acquisition method:	Acquired by third-party allotment of the Company's treasury stock
Rights holder:	The Company
Residual assets:	Residual assets receivable by the Company as the rights holder will be limited to unspent reserves for trust expenses and any other funds remaining after deduction of funds spent to acquire shares from the funds deposited into the trust.

Note: The above tentative date is subject to change to other appropriate date in compliance with applicable laws and regulations.

3) Total number of shares to be granted to beneficiaries from the ESOP Trust

529,000 shares (three-year total) (including shares for group companies)

(Note) The above number of shares represents their number after the one-to-two share split on October 1, 2024.

2. Information on Acquisition, etc. of Treasury Stock

Class of shares

Acquisition of ordinary shares under Article 155, item 3 of the Companies Act and acquisition of ordinary shares under Article 155, item 7 of the Companies Act.

(1) Acquisition of treasury stock under the resolution of the General Meeting of Shareholders

Not applicable

(2) Acquisition of treasury stock under the resolution of the Meetings of the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on January 24, 2024 (Term of validity: from January 25, 2024 to May 24, 2024)	2,000,000	11,000,000,000
Treasury stock acquired before the year ended March 31, 2025	-	-
Treasury stock acquired during the year ended March 31, 2025	-	-
Treasury stock not acquired for the year ended March 31, 2025	2,000,000	11,000,000,000
The percentage of remaining treasury stock not acquired as of March 31, 2025 (%)	100.00	100.00
Treasury stock acquired during the period after the reporting period to the filing date of this report	-	-
The percentage of remaining treasury stock not acquired as of filing date (%)	100.00	100.00

(Note) NIDEC implemented a two-for-one common stock split, effective October 1, 2024. As the above acquisition of treasury stock was completed on May 24, 2024, the number of shares is the number before the stock split.

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on May 24, 2024 and July 23, 2024 (Term of validity: from May 27, 2024 to May 26, 2025)	10,000,000	35,000,000,000
Treasury stock acquired before the year ended March 31, 2025	-	-
Treasury stock acquired during the year ended March 31, 2025	2,920,300	7,772,086,250
Treasury stock not acquired for the year ended March 31, 2025	7,079,700	27,227,913,750
The percentage of remaining treasury stock not acquired as of March 31, 2025 (%)	70.80	77.79
Treasury stock acquired during the period after the reporting period to the filing date of this report	-	-
The percentage of remaining treasury stock not acquired as of filing date (%)	70.80	77.79

(Notes) 1. The meeting of board of Directors held on July 23, 2024 resolved to increase the number of own shares purchasable under the plan from 5,000,000 shares to 10,000,000 shares.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The above figures are based on the number of shares after the stock split.

Classification	Number of shares (Shares)	Total amount (Yen)
Details on resolution at the Meeting of the Board of Directors held on May 27, 2025 (Term of validity: from May 28, 2025 to May 27, 2026)	13,000,000	35,000,000,000
Treasury stock acquired before the year ended March 31, 2025	-	-
Treasury stock acquired during the year ended March 31, 2025	-	-
Treasury stock not acquired for the year ended March 31, 2025	-	-
The percentage of remaining treasury stock not acquired as of March 31, 2025 (%)	-	-
Treasury stock acquired during the period after the reporting period to the filing date of this report	-	-
The percentage of remaining treasury stock not acquired as of filing date (%)	100.00	100.00

(Note) Treasury stock acquired during the period after the reporting period to the filing date of this report does not include acquisition of treasury stock from September 1, 2025 to the filing date of this report

(3) Details of acquisition of treasury stock not under the resolution of the General Meeting of Shareholders or the Meetings of the Board of Directors

Classification	Number of shares (Shares)	Total amount (Yen)
Treasury stock acquired during the year ended March 31, 2025	3,579	11,706,849
Treasury stock acquired during the period after the reporting period to the filing date of this report	314	855,860

(Notes) 1. Treasury stock acquired during the period after the reporting period to the filing date of this report does not include acquisition of shares less than one unit purchased from September 1, 2025 to the filing date of this report.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The above figures are based on the number of shares after the stock split.

(4) Status of the disposition and holding of acquired treasury stock

Classification	Year ended March 31, 2025		Period after the reporting period to the filing date of this report	
	Number of shares (Shares)	Total disposition amount (Yen)	Number of shares (Shares)	Total disposition amount (Yen)
Acquired treasury stock for which subscribers were solicited	-	-	-	-
Acquired treasury stock which was retired	-	-	-	-
Acquired treasury stock for which transfer of shares was conducted due to merger, share exchange or company separation	-	-	-	-
Others (Disposal of treasury stock through third-party allotment in line with the continuation of the performance share plan)	763,200	2,962,075,449	-	-
Total number of treasury stock held	44,588,381	-	44,588,695	-

(Notes) 1.Total number of treasury stock held during the period after the reporting period to the filing date of this report does not include acquisition of treasury stock resolved at the Meetings of the Board of Directors and shares less than one unit purchased during the period from September 1, 2025 to the filing date of this report.

2.NIDEC implemented a two-for-one common stock split, effective October 1, 2024. The above figures are based on the number of shares after the stock split.

3.Treasury stock do not include shares of the Company held by the BIP (Board Incentive Plan) Trust and the ESOP (Employee Stock Ownership Plan) Trust.

3. Dividend Policy

NIDEC's dividend policy is to maintain stable dividends and raise dividends based on its consolidated net profit results and at the same time, to increase internal reserves to further strengthen its operational structure and to promote bold business development.

NIDEC generally aims to pay dividends of surplus twice a year by interim and year-end dividends. The Board of Directors has the authority to declare these dividends of surplus.

In view of its current fiscal position separately described and to meet the expectations of shareholders and investors, the Board of Directors has determined to set the year-end dividend at ¥20.00 per share for the fiscal year ended March 31, 2025 together with the interim dividend of ¥40.00 per share. As a result, the dividend payout ratio for the fiscal year ended March 31, 2025 on a consolidated basis was 28.0%.

Internal reserves are used to further strengthen our operational structure and invest in business expansion to increase revenues.

NIDEC stipulates in its Article of Incorporation that it may pay interim dividends pursuant to Article 454, Paragraph 5 of the Companies Act of Japan, and that it may, by resolution of the Board of Directors, pay dividends of surplus pursuant to Article 459, Paragraph 1 of the Companies Act of Japan.

Dividends of surplus for the current fiscal year are as follows:

Date of resolution	Total dividends (Yen in millions)	Cash dividends per share (Yen)
The Meeting of the Board of Directors on October 23, 2024	23,018	40
The Meeting of the Board of Directors on May 27, 2025	22,960	20

(Note) NIDEC implemented a two-for-one stock split of our common stock effective October 1, 2024. For the actual amounts of dividends per share as determined by the Board of Directors on October 23, 2024, is shown as the actual amount of it before split on October 1, 2024.

4. Corporate Governance, etc.

(1) Overview of Corporate Governance

① Basic policy regarding corporate governance

NIDEC's basic policy is to strengthen its business and corporate management capabilities while following its corporate slogan, "high growth, high profit, and high share price", "Mission Statement", and "3 Principles of Nidec's Operations".

② Corporate governance system

1) The overview of NIDEC's corporate governance system and reasons NIDEC uses the system

In addition to the Board of Directors, the Audit and Supervisory Committee and the Accounting Auditor as stipulated in the Companies Act, the Company has established the Executive Management Meeting and the Monthly Executive Meeting as executive bodies. NIDEC has also established a Nomination Committee and a Remuneration Committee as advisory bodies to the Board of Directors.

As of March 31, 2025, the Board of Directors, which makes decisions on important management matters and supervises business execution, consists of 11 directors, including Representative Director and Global Group Representative Shigenobu Nagamori, with a majority being independent outside directors. These directors make decisions on important management matters and supervise business execution. The Audit and Supervisory Committee, which comprises 5 members of the Board of Directors who are Audit and Supervisory Committee Members, and itself audits the execution of business operations by members of the Board of Directors of the Company, receives an audit report from the accounting auditor. The Company includes among the members of its Board of Directors and members of the Board of Directors (Audit and Supervisory Committee Members), highly independent outside people who have no special interests in the Company to strengthen the audit and supervisory function of its business management. The Company's 3 outside members of the Board of Directors who are not Audit and Supervisory Committee Members, based on their broad experience and deep insight, make decisions on material business management-related matters from an objective and neutral standpoint, and supervise the execution of business operations. The Company's 3 outside members of the Board of Directors who are Audit and Supervisory Committee Members, based on their broad experience and deep insight, audit and supervise the Company's business management from an objective and neutral standpoint.

The Executive Management Meeting is held and convened by the President twice a month as a rule as the decision-making body for operational matters. The meeting involves the pre-deliberation of items submitted to the Board of Directors, as well as the deliberation and resolution of overall operational policies, plans, and individual important matters. The Monthly Executive Meeting is held once a month as a rule, where all executive officers gather, led by the Chief Executive Officer, to discuss high-priority topics and align the direction of management.

The majority of the members of the Nomination Committee are independent Outside Directors, with 5 members consisting of 2 Inside Directors and 3 independent Outside Directors. The Nomination Committee deliberates on matters such as basic policies and criteria concerning the election of Directors and Executive Officers, etc., and decisions on candidate proposals in response to requests by the Board of Directors and reports the results to the Board of Directors. The majority of the members of the Remuneration Committee are independent Outside Directors, with 5 members consisting of 2 Inside Directors and 3 independent Outside Directors. The Remuneration Committee deliberates on basic policies and remuneration structures related to executive remuneration in response to requests from the Board of Directors and reports the results to the Board of Directors. An Outside Member of the Board of Directors has served as chair of the Nomination Committee since its establishment in fiscal 2022, and has also served as chair of the Remuneration Committee since fiscal 2024. By obtaining appropriate involvement and advice from independent Outside Directors, these committees ensure fairness, transparency, and objectivity. Furthermore, they aim to strengthen the corporate governance system to enhance global competitiveness and contribute to the sustainable growth and development of the business.

To further enhance its business management efficiency, the Company adopts "vice president" and "business unit" systems. The vice president system aims to clearly divide the roles of the members of the Board of Directors, who are legally responsible for the Company's business management and supervising, and those of the vice presidents, who are in charge of executing business operations, and to make the roles of the Company's Board of Directors be more concentrated on decision making regarding company-wide business operations and ensure active discussions on those matters. The vice president system also aims to transfer authorities

from the members of the Board of Directors to vice presidents to expedite the Company's decision-making process. The business unit system aims to clarify the areas of responsibility for individuals to maintain and strengthen the effective internal control system.

In April 2024, Mr. Mitsuya Kishida assumed the position of President of the Company. Under his leadership, we have been vigorously promoting various initiatives aimed at realizing integrated group management, including the global integration of technology, products, and human resources. Leveraging the strengths our Company has built over the past 50 years—such as our businesses, technologies, and human resources—we are striving to evolve into an even more prominent global enterprise. To this end, as of April 1, 2025, we have strengthened our Chief Officer system. By establishing a new Global Headquarters structure centered around Chief Officers (CxO), we have transitioned from a management style reliant on the strong leadership of our founder to a systematized organizational framework. This structure enables collaboration between business division leaders and functional leaders (CxO), allowing us to implement swift and bold reforms to address various business challenges moving forward.

(Note)As of the Regular General Meeting of Shareholders held on June 20, 2025, there are four Outside Directors who are Audit and Supervisory Committee Members, following the appointment of one new Full-time member.

2) Other matters related to corporate governance

In accordance with the Companies Act of Japan and Ordinance for Enforcement of the Companies Act, the Company has in place the following system to ensure proper business operations by the Company and its subsidiaries:

i) System to ensure the execution of duties by the Company's and its subsidiaries' members of the Board of Directors and employees comply with laws and regulations and the Articles of Incorporation

The Company has in place the following system to obtain social trust by complying with laws and regulations, relevant rules, internal rules and standards, social ethics codes, etc. while enhancing the ethical awareness of the officers and employees, and to establish corporate integrity:

- The Company has established "Nidec Group Compliance Regulations" to put in place the basic notions, the organization and operational methods for compliance throughout our group, and establish a compliance system and promote total awareness of this system through properly executing business operations based on laws and regulations, and by continuously checking and improving the process of executing such business operations.
- The Company has a Compliance Committee under its Board of Directors, establishes basic compliance policies, and monitors our group's compliance status.
- The Company establishes specific compliance-related action guidelines, i.e., "the Nidec Group Compliance Code of Conduct," and ensures that all of our group's officers and employees understand and act on them.
- As part of its compliance promotion activity, the Company holds compliance seminars for our individual companies, along with initiatives such as the preparation and use of the "Nidec Compliance Handbook," in an effort to raise their officers' and employees' awareness on compliance.
- To spread compliance throughout our group, the Company has in place a group-wide internal reporting system, "Nidec Global Compliance Hotline," to encourage our group's employees to make reports and point out problems regarding violations of laws and regulations, and internal rules, and to protect whistleblowers of such problems.
- To promote the aforementioned activity, the Company's Legal & Compliance Department works with our group's regional compliance officers in the Americas, China, Europe and Southeast Asia to secure compliance in our individual companies, forming a global compliance system.
- To address compliance violations, the Company tries to prevent their recurrence by performing investigations for resolutions based on reports, notifications, etc., made to its Legal & Compliance Department or internal point of contact for such notifications. The Company deliberates compliance violations that must be dealt with penalties in a meeting of an internal disciplinary committee or the Board of Directors to decide on penalties.
- The Company has its head office departments provide the entire of our group with internal control system-related instructions and support, and manage and audit our companies to ensure legal, proper, and efficient business operations.
- The internal audit departments of the Company and its subsidiaries conduct internal audits on our individual companies to provide them with instruction, support, and advice for better business operations.

ii) System to store and manage information concerning the execution of duties by the members of the Company's Board of Directors

The Company organizes and stores documents concerning the execution of duties by the members of its Board of Directors and Vice Presidents for a certain number of years based on "Document Regulations," and Audit and Supervisory Committee Members may view those documents at any time.

iii) Regulations and other systems to manage risks of loss concerning the Company and its subsidiaries

- The Company established "Risk Management Regulations" to have in place a group-wide risk management system, as well as a Risk Management Committee and Risk Management Office. Risk Management Committee, supervised by the Company's Board of Directors, decides the Company's risk management policies each fiscal year, while general managers of the Company's risk management departments and our companies work under the committee to make and implement the annual plan in order to encourage thorough risk management, response, and reporting. Risk Management Office supports such actions and collects information on those actions' statuses, while Corporate Administration & Internal Audit Department audits our companies on the design of their risk management systems, as appropriate.
- In addition to "Risk Management Regulations," which are intended to manage daily risks, the Company adopts our group-wide "Crisis Management Regulations" to prepare for a situation in which a risk is actualized and must be handled in reality.
- The Company formulates the basic policy, management systems and operation methods regarding information security to manage information security risk group-wide. The Company established the Information Security Basic Regulations to secure our group's information assets which are important management assets for business activity as well as to assure proper use of the information assets.
- The Company has established the Information Security Committee chaired by the Chief Information Security Officer (CISO) under the supervision of the Board of Directors, and formulated the basic policy regarding information security. The Company monitors and supervises the implementation and process of information security measures.
- The division responsible for managing information security supports the execution of the related measures and responds to accidents and issues related to information security. The Corporate Administration & Internal Audit Department conducts information security auditing, supervises and supports the implementation of the related measures, as appropriate.

iv) System to ensure an efficient execution of duties by the members of the Company's and its subsidiaries' Boards of Directors

- As the basis of the "system to ensure an efficient execution of duties by the members of the Company's Board of Directors," the Company adopts a vice president system to empower its Vice Presidents with authorities to execute business operations. The Company's Board of Directors makes decisions on material matters concerning the Company's business policies, management strategies, etc., appoints and dismisses Vice Presidents, and supervises the execution of business operations.
- Our group establishes a mid-term business plan to realize its long-term vision that was set as a specific numerical and qualitative target, uses it as the basis of its annual business plans. When making the mid-term business plan, the Company identifies, deliberates and makes decisions based on analysis of the feasibility of accomplishing the mid-term goals, the compatibility with the long-term vision, and the issues and risks that must be overcome to successfully achieve the plan. The Company regularly reviews and rolls the plan based on changes in the market and the status of progress against the plan.
- The Company and its subsidiaries have in place "Approval Request (Ringi) Regulations," which covers matters that require approval requests and approval request procedures, to define clearly the authorities to make judgments and decision on business operations and to improve business management efficiency and transparency.
- The Company and its subsidiaries hold a risk management meeting daily to promptly report and share material information, and the minutes of the meeting is sent to each department general manager every day for daily business operations, while, as necessary such important issues are discussed widely and shared among participants in the Executive Management Meeting and the Monthly Executive Meeting

- v) Matters concerning reports to the Company regarding the execution of duties by the members of the Board of Directors of the Company's subsidiaries
 - The members of the Board of Directors and Vice Presidents of the Company serve as members of the Board of Directors and Vice Presidents of our group companies as well, attend their Executive Management Meetings (Keiei-kaigi), hold a group-wide CEO Conference quarterly, and take other actions to efficiently share policies and information, and communicate instructions and requests within our group.
 - The administrative departments responsible for our individual companies' business operations work to improve collaboration with those companies, and request them to submit reports, documents, etc. as necessary to understand their management status accurately.
- vi) Matters concerning employees to support the work of the Audit and Supervisory Committee, and matters concerning ensuring the independence of those employees from other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) and the effectiveness of instructions given by the Audit and Supervisory Committee to those employees
 - In accordance with the Audit and Supervisory Committee's requests, the Corporate Administration & Internal Audit Department audits matters that Audit and Supervisory Committee Members request to be audited, and reports the audit results to the Audit and Supervisory Committee.
 - During such an audit, support is provided for performing the audit if ordered or requested by Audit and Supervisory Committee Members. Other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) or Vice Presidents of the Company pose no improper restrictions on such reports.
- vii) System for members of the Board of Directors and employees of our group, members of the Audit & Supervisory Board of subsidiaries, or those who received reports from any of these people to report to the Company's Audit and Supervisory Committee, and system to protect whistleblowers
 - The members of the Board of Directors, Vice Presidents and employees of the Company promptly report to the Audit and Supervisory Committee, in addition to statutory matters, matters that materially affect the entire of our group, the progress of internal audit, the status of whistle blowing based on the internal whistle blowing system, and subjects reported by whistle blowing. The method for reporting is based on the decision made following discussion between other members of the Board of Directors (excluding members of the Board of Directors who are Audit and Supervisory Committee Members) and Vice Presidents, and the Audit and Supervisory Committee.
 - The Company's Corporate Administration & Internal Audit Department holds a meeting to report matters to the Company's Audit and Supervisory Committee on a regular basis, and reports the internal audit results at our group companies.
 - The Company's Legal & Compliance Department reports the status of whistle blowing by our group's officers and employees to the Company's Audit and Supervisory Committee on a regular basis.
 - Our group protects whistleblowers so that they will not be affected negatively after whistle blowing based on the group-wide internal whistle blowing system, Nidec Global Compliance Hotline.
- viii) Matters concerning the policy for handling advanced payments of the cost incurred due to the execution of duties by Audit and Supervisory Committee Members (limited to those related to the execution of duties of the Audit and Supervisory Committee), for handling procedures for reimbursement, and for handling the cost or liability incurred due to the execution of any other duties by Audit and Supervisory Committee Members

In accordance with the Company's Audit and Supervisory Committee Regulations and the standards for audit by the Audit and Supervisory Committee, the Company's Audit and Supervisory Committee is entitled to independently deliberate matters, such as budget for auditing expenses, that Audit and Supervisory Committee Members deem it necessary to execute their duties, and may request the Company to redeem urgently or temporarily incurred costs at a later date.
- ix) Other systems to ensure an effective audit by the Audit and Supervisory Committee
 - Audit and Supervisory Committee Members exchange their opinions with the Company's executives.
 - Audit and Supervisory Committee Members prepare each month's activities in an audit report, and submit it to the Company's Board of Directors.
 - Audit and Supervisory Committee Members visit our individual companies onsite to conduct audits on operations.

3)Activities of the Board of Directors

NIDEC holds a meeting of the Board of Directors once a month in principle, and as needed. During the fiscal year under review, the Board of Directors meetings were held 24 times. The attendance of individual directors is as follows.

Name	Number of times held	Number of times attended
Shigenobu Nagamori	24	24
Mitsuya Kishida	18	18
Hiroshi Kobe	24	22
Shinichi Sato	24	24
Yayoi Komatsu	24	22
Takako Sakai	24	23
Kazuya Murakami	24	24
Hiroyuki Ochiai	24	24
Aya Yamada	24	21
Junko Watanabe	6	6
Hiroe Toyoshima	24	24
Kunio Umeda	18	18

(Notes) 1. The difference in the number times held is due to the difference in the timing of appointment.

2. Changes in the Members of the Board of Directors (Audit and Supervisory Committee Members) at the Regular General Meeting of Shareholders held on June 18, 2024 are as follows:

(1) Mr. Mitsuya Kishida was newly appointed and sworn in as a Member of the Board of Directors.

(2) Mr. Kunio Umeda was newly appointed and sworn in as a Member of the Board of Directors (Audit and Supervisory Committee Member).

(3) Ms. Junko Watanabe has resigned as a Member of the Board of Directors (Audit and Supervisory Committee Member).

3. Mr. Hiroshi Yoshii, who is a Member of the Board of Directors (Member of the Board of Directors (Audit and Supervisory Committee Member) newly selected in the Regular General Meeting of Shareholders held on June 20, 2025; therefore, his attendance record is not provided for the present fiscal year.

Specific details of activities by the Board of Directors are as follows.

The Board of Directors determines matters stipulated by laws and regulations, important matters related to corporate management and group management, and other matters stipulated in the Regulations of the Board of Directors. It also supervises the execution of Directors and Executive Officers' duties by receiving reports on the status of execution of duties from Directors and Executive Officers.

4)Activities of the Nomination Committee

In the current fiscal year, the company held 1 Nomination Committee meeting. The attendance of each Nomination Committee members is as follows. In addition, two pre-committee meetings were held for the purpose of discussion with outside directors prior to the committee meeting.

Name	Number of times held	Number of times attended
Shigenobu Nagamori	1	1
Mitsuya Kishida	1	1
Yayoi Komatsu	1	1
Takako Sakai	1	1
Aya Yamada	1	1

Specific details of activities by the Nomination Committee are as follows.

The Nomination Committee deliberates, among issues, selection policies and criteria, succession plans, and their details of such executive positions as Members of the Board of Directors and Vice Presidents, as well as a draft list of the candidates for the Board of Directors, President, and Executive Vice Presidents.

While the Nominating Committee held a meeting once during this business year, we have begun discussions to train and select a candidate for president to succeed current Representative Director and President Mitsuya Kishida, and plan to continue these efforts in fiscal 2025.

5)Activities of the Remuneration Committee

In the current fiscal year, the company held 1 Remuneration Committee, and attendance of the individual Remuneration Committee members is as follows. In addition, prior to the committee meeting, we held 1 preparatory meeting for the purpose of discussion with outside directors.

Name	Number of times held	Number of times attended
Shigenobu Nagamori	1	1
Hiroshi Kobe	1	1
Shinichi Sato	1	1
Takako Sakai	1	1
Aya Yamada	1	1

Specific details of activities by the Remuneration Committee are as follows.

The Remuneration Committee deliberates, among other issues, preparing a policy for determining executive compensations, and designing a remuneration system (e.g. setting a business performance target, the rationality of performance-linked compensation, the validity of the components of compensations, and the amounts of individual remunerations based on the remuneration system). In June 2024, we introduced a system linking the remuneration of executive officers to the company's ESG performance.

6)Overview of the contents of the liability limitation contract

The company executed a contract that limits its liability for damages with its outside members of the Board of Directors and outside members of the Board of Directors (Audit and Supervisory Committee Members). The contract's summary is as follows:

- The maximum amount of liability that any outside members of the Board of Directors or any outside members of the Board of Directors who are Audit and Supervisory Committee Members is held accountable against the Company as a result of his/her negligence to perform his/her duty shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act of Japan.
- The aforementioned liability limitation shall be applicable only if the duty that resulted in any outside members of the Board of Directors or any outside members of the Board of Directors who are Audit and Supervisory Committee Members being held accountable was executed under good will, and if no material negligence is identified in such duty.

7) Overview of the directors and officers liability insurance contract

i) The scope of the insured

Members of the Board of Directors, members of the Audit & Supervisory Board, Vice Presidents, accounting advisors, and employees in the positions of supervisors (including those who have already resigned from their positions and those who will assume the above positions during the insurance period) at the Company and all of its subsidiaries, and their successors.

ii) Outline of the insurance contract

The policy covers damages and litigation costs incurred by the insured, arising out of claims in connection with the acts performed by the insured (including omissions) in the course of their duties in the positions mentioned in item (i). Provided, any damages and costs incurred by Members of the Board and Directors themselves who commit criminal acts such as bribery and intentional illegal acts will not be covered, as measures to ensure that the contract does not impair the appropriate execution of duties by Members of the Board of Directors, etc. Insurance premiums are fully paid for by the Company.

③ Matters of the Members of the Board of Directors

1) The number of the Members of the Board of Directors

The Company's Articles of Incorporation sets forth that the number of the Members of the Board of Directors who are not Audit and Supervisory Committee Members shall not exceed 15, and that the number of the Members of the Board of Directors who are Audit and Supervisory Committee Members shall not exceed 5.

2) Requirements for a resolution on the election of the Members of the Board of Directors

The Company's Articles of Incorporation sets forth that a resolution on the election of Members of the Board of Directors be adopted by a majority of the voting rights of shareholders attending the general meeting of shareholders who collectively hold one-third or more of all voting rights, and that the Members of the Board of Directors who are Audit and Supervisory Committee Members shall be distinguished from those members of the Board of Directors who are not. Also that cumulative voting not be applied to pass a resolution on the election of the Members of the Board of Directors.

In addition, in case there are not enough Members of the Board of Directors who are Audit and Supervisory Committee Members to meet their statutory number, the Company's Articles of Incorporation sets forth that the Company may elect a substitute member of the Board of Directors who is a Supervisory Committee Member at a General Meeting of Shareholders, and that the resolution regarding the election of such substitute Member of the Board of Directors who is a Supervisory Committee Member shall remain in effect until the beginning of the Regular General Meeting of Shareholders for the final fiscal year that ends within 2 years after such resolution.

④ Matters related to the resolution of the General Meeting of Shareholders

- The Company's Articles of Incorporation prescribe that matters specified in the items of Article 459, Paragraph 1 and Article 454, Paragraph 5 of the Companies Act of Japan, including those related to dividends of surplus, shall be decided by resolution of the Board of Directors without obtaining a resolution at a General Meeting of Shareholders, unless otherwise stipulated by laws and regulations. This is intended to enable the expeditious return of profits to shareholders by putting dividends of surplus, etc., under the Board of Directors' jurisdiction.
- The Company's Articles of Incorporation prescribe that a special resolution of the General Meeting of Shareholders, as specified by Article 309, Paragraph 2 of the Companies Act of Japan be adopted by at least two-thirds of the voting rights of the shareholders attending the General Meeting of Shareholders who collectively hold one-third or more of all voting rights. This is intended to facilitate the operation of the General Meetings of Shareholders by easing the quorum for special resolutions of the General Meeting of Shareholders.

(2) Members of the Board of Directors

① List of Members of the Board of Directors

Seven men and four women

(Percentage of the members of the Board of Directors of NIDEC that are women: 36.4%)

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Founder and Chairman of the Board	Shigenobu Nagamori	August 28, 1944	<p>Jul. 1973: Founded NIDEC Representative Director, Chairman of the Board and President Chief Executive Officer (CEO)</p> <p>Oct. 2014: Representative Director, Chairman of the Board and President</p> <p>Mar. 2018: Chairman of the Board, Kyoto Gakuen Educational Foundation (currently, Nagamori Gakuen Educational Foundation) (current position)</p> <p>Jun. 2018: Representative Director and Chairman</p> <p>Apr. 2022: Chief Executive Officer (CEO)</p> <p>Apr. 2024: Founder and Executive Chairman</p> <p>Jun. 2024: Founder and Chairman of the Board (current position)</p>	*3	98,948
Representative Director and President Chief Executive Officer (CEO)	Mitsuya Kishida	February 7, 1960	<p>Apr. 1983: Sony Corporation (currently, Sony Group Corporation)</p> <p>Apr. 2018: Representative Director and President, Sony Mobile Communication Inc.</p> <p>Apr. 2021: Senior Vice President, Sony Corporation</p> <p>Jan. 2022: Senior Vice President, NIDEC</p> <p>Jul. 2022: First Senior Vice President</p> <p>Apr. 2023: Executive Vice President</p> <p>Sep. 2023: Member of the Board of Directors and Chairman, Nidec Powertrain Systems Corporation (current position)</p> <p>Member of the Board of Directors and Chairman, Nidec Elesys Corporation (currently, Nidec Mobility Corporation)</p> <p>Oct. 2023: Member of the Board of Directors and Chairman, Nidec Mobility Corporation (current position)</p> <p>Apr. 2024: President Chief Executive Officer (CEO) (current position)</p> <p>Jun. 2024: Representative Director and President (current position)</p> <p>Apr. 2025: Chief Strategy Officer (CSO) (current position)</p>	*3	4

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Member of the Board of Directors and Chairman	Hiroshi Kobe	March 28, 1949	<p>Jul. 1973: Participated in the foundation of NIDEC</p> <p>Mar. 1982: GM, Sales Dept.</p> <p>Nov. 1984: Member of the Board of Directors</p> <p>Nov. 1991: Member of the Board of Directors and Senior Vice President</p> <p>Apr. 1996: Member of the Board of Directors and First Senior Vice President</p> <p>Apr. 2000: Member of the Board of Directors and Executive Vice President</p> <p>Apr. 2005: Chief Operating Officer (COO)</p> <p>Jun. 2006: Representative Director and Executive Vice President</p> <p>Jun. 2008: Representative Director and Executive Vice President</p> <p>Jun. 2015: Representative Director and Vice Chairman</p> <p>Chief Sales Officer (CSO)</p> <p>Jun. 2020: Vice Chairman</p> <p>May. 2022: Chief Performance Officer (CPO)</p> <p>Jun. 2022: Representative Director and Vice Chairman</p> <p>Sep. 2022: Representative Director and President</p> <p>Chief Operating Officer (COO)</p> <p>Apr. 2024: Member of the Board of Directors and Chairman (current position)</p> <p>Member of the Board of Directors and Chairman, Nidec Techno Motor Corporation (current position)</p> <p>Apr. 2025: Member of the Board of Directors and Chairman, Nidec Global Service Corporation (current position)</p>	*3	1,897

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member)	Hiroyuki Ochiai	July 3, 1959	<p>Apr. 1983: Joined Ministry of International Trade and Industry of Japan (currently, the Ministry of Economy, Trade and Industry of Japan)</p> <p>Jul. 2000: Director, Foreign Exchange and Trade Finance Division, Trade Bureau</p> <p>Jul. 2002: Director - General, International Cooperation Department, New Energy and Industrial Technology Development Organization (currently, National Research and Development Agency New Energy and Industrial Technology Development Organization)</p> <p>Jul. 2003: Director, Personnel Division, Japan Patent Office</p> <p>Oct. 2005: Director, Trade Promotion Division, Trade and Economic Cooperation Bureau</p> <p>Aug. 2006: Counsellor, Minister's Secretariat, the Ministry of Agriculture, Forestry and Fisheries of Japan</p> <p>Jul. 2008: Counsellor, Cabinet Secretariat (to Assistant Chief Cabinet Secretary)</p> <p>Aug. 2010: Seconded to NIDEC</p> <p>Aug. 2012: Returned to the Ministry of Economy, Trade and Industry of Japan. Director - General, Training Institute of Economy, Trade and Industry</p> <p>Dec. 2012: Left Ministry of Economy, Trade and Industry of Japan</p> <p>Mar. 2013: General Manager, General Affairs Department, NIDEC</p> <p>Jun. 2018: Fulltime Member of the Audit and Supervisory Board</p> <p>Jun. 2019: Member of the Audit and Supervisory Board, Nidec Sankyo Corporation (currently, Nidec Instruments Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Copal Electronics Corporation (currently, Nidec Components Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Copal Corporation (currently, Nidec Precision Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Servo Corporation (currently, Nidec Advanced motor Corporation) (current position)</p> <p>Nov. 2019: Member of the Audit and Supervisory Board, Nidec Mobility Corporation (current position)</p> <p>Jun. 2020: Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member) (current position) Member of the Audit and Supervisory Board, Nidec Tosok Corporation (currently, Nidec Powertrain Systems Corporation) (current position) Member of the Audit and Supervisory Board, Nidec Elesys Corporation (currently, Nidec Mobility Corporation)</p>	*5	3

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member)	Hiroshi Yoshii	December 23, 1965	<p>Apr. 1988: Joined Ministry of Finance of Japan</p> <p>Jul. 2000: Deputy Budget Examiner, the Budget Bureau, the Ministry of Finance of Japan</p> <p>Apr. 2003: Counselor, Director to the Director-General for Policy Planning, the Cabinet Office</p> <p>Jul. 2007: Senior Policy Coordinator, the Policy and Coordination Division, the Environmental Policy Bureau, the Ministry of the Environment</p> <p>Jul. 2009: Director for Co-ordination Division, the Budget Bureau, and Director of the Budget Management, the Fiscal Division, the Budget Bureau, the Ministry of Finance of Japan</p> <p>Feb. 2010: Secretary to the Minister of the Cabinet Office</p> <p>Jan. 2012: Counselor, the Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2012: Budget Examiner, the Budget Bureau the Ministry of Finance of Japan</p> <p>Jun. 2013: Counselor to the Director-General, the Reconstruction Agency</p> <p>Jun. 2016: Director of the Co-ordination Division, the Commissioner's Secretariat, the National Tax Agency</p> <p>Jul. 2018: Deputy Commissioner, the Commissioner's Secretariat, the National Tax Agency.</p> <p>Jul. 2019: Director General of the Fukuoka Regional Taxation Bureau</p> <p>Jul. 2020: Director General of the Nagoya Regional Taxation Bureau</p> <p>Jul. 2021: Director General of the Osaka Regional Taxation Bureau</p> <p>Jul. 2022: Director General for Policy Planning, the Ministry of Land, Infrastructure, Transport and Tourism of Japan</p> <p>Jul. 2023: Left the Ministry of Finance of Japan</p> <p>Dec 2023: Executive Consultant, East Japan Railway Company</p> <p>Jun. 2025: Outside Member of the Board of Directors (Fulltime Audit and Supervisory Committee Member), NIDEC (current position)</p> <p>Jul. 2025: Member of the Audit and Supervisory Board, Nidec Drive Technology Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Techno Motor Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Machine Tool Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Advance Technology Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Takisawa Machine Tool Co., Ltd. (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Global Service Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec Machinery Corporation (current position)</p> <p>Member of the Audit and Supervisory Board, Nidec OKK Corporation (current position)</p>	*4	-

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors	Shinichi Sato	November 4, 1956	<p>Apr. 1980: Joined Ministry of Finance of Japan</p> <p>Jul. 1985: Director, Karatsu Tax Office, Fukuoka Regional Taxation Bureau</p> <p>Jul. 1997: Deputy Director-General, the Embassy of Japan in the UK, the Ministry of Foreign Affairs</p> <p>Jul. 2000: Director, the Administrative Management Bureau, the Management and Coordination Agency (currently, the Ministry of Internal Affairs and Communications)</p> <p>Jul. 2002: Budget Examiner for Education, Culture, Sports, Science and Technology, the Budget Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2003: Director, the Research Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2004: Director, Indirect Tax Policy Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2005: Director, Income Tax and Property Tax Policy Division, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jul. 2006: Director, Secretarial Division, the Minister's Secretariat, the Minister's the Ministry of Finance of Japan</p> <p>Jul. 2009: Deputy Director-General, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jan. 2010: Councilor, the Cabinet Secretariat (to Assistant Chief Cabinet Secretary)</p> <p>Aug. 2011: Deputy Vice Minister for Policy Planning and Co-ordination, the Minister's Secretariat, the Ministry of Finance of Japan</p> <p>Jun. 2013: Director-General, the Minister's Secretariat, the Ministry of Finance of Japan</p> <p>Jul. 2014: Director-General, the Tax Bureau, the Ministry of Finance of Japan</p> <p>Jun. 2016: Vice-Minister of Finance</p> <p>Jul. 2017: Left Ministry of Finance of Japan</p> <p>Nov. 2017: Executive Consultant, Suntory Holdings Limited (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, NIDEC (current position)</p> <p>Jun. 2025: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), OKASAN SECURITIES GROUP INC. (current position)</p>	*3	-

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors	Yayoi Komatsu	March 23, 1959	<p>Apr. 1981: Joined Ministry of Education, Science, Sports and Culture of Japan (currently, the Ministry of Education, Culture, Sports, Science and Technology of Japan)</p> <p>Jul. 1995: Superintendent, the Kakegawa City Board of Education</p> <p>Apr. 1998: Superintendent, the Sendai City Board of Education</p> <p>Apr. 2001: Director, Early Childhood Education Division, Elementary and Secondary Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Apr. 2003: Director, Medical Education Division, Higher Education Bureau, the Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Jul. 2004: Counselor to the Cabinet Office's Director-General for Science and Technology Policy (for, the Secretariat of Science, Technology and Innovation Policy)</p> <p>Jul. 2005: Director, Traditional Culture Division, the Cultural Properties Department, the Agency for Cultural Affairs</p> <p>Apr. 2007: Director, the Director-General's Secretariat, the Agency for Cultural Affairs</p> <p>Jul. 2009: Deputy Director-General, the Science and Technology Policy Bureau, the Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Jul. 2010: Director-General, the Cultural Affairs Department, the Agency for Cultural Affairs</p> <p>Jan. 2012: Trustee and President, the Independent Administrative Institution National Museum of Art</p> <p>Aug. 2015: Director-General, Research Promotion Bureau, the Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Dec. 2016: Left Ministry of Education, Culture, Sports, Science and Technology of Japan</p> <p>Jun. 2017: Superintendent, the Saitama Prefecture Board of Education</p> <p>May. 2022: Executive Director, the National Museum of Modern Art, Tokyo (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, NIDEC (current position)</p>	*3	0

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors	Takako Sakai	August 28, 1972	<p>Apr. 2002: Research Associate, Graduate School of Law, Kyoto University</p> <p>Apr. 2003: Lecturer, Graduate School of Economics, Osaka Prefecture University</p> <p>Mar. 2007: Completed Doctoral Program at Graduate School of Kyoto University and received a Doctor of Laws (LL. D.)</p> <p>Oct. 2007: Associate Professor, Graduate School of Economics, Osaka Prefecture University</p> <p>Apr. 2018: Professor, Graduate School of Economics, Osaka Prefecture University</p> <p>Jun. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC</p> <p>Apr. 2022: Professor, Graduate School of Law, Osaka Metropolitan University (current position)</p> <p>Jun. 2022: Outside Member of the Board of Directors, NIDEC (current position)</p>	*3	1
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Aya Yamada	February 12, 1967	<p>Apr. 1990: Research Associate, Faculty of Law, Tohoku University</p> <p>Apr. 1995: Assistant Professor, Faculty of Law, Okayama University</p> <p>Apr. 2003: Assistant Professor, Graduate School of Law, Kyoto University</p> <p>Apr. 2006: Professor, Graduate School of Law, Kyoto University (current position)</p> <p>Jun. 2020: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p>	*5	-
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Hiroe Toyoshima	September 28, 1967	<p>Apr. 1998: Registered as attorney-at-law, the Osaka Bar Association Joined Nakamoto & Partners</p> <p>Nov. 2005: Registered as attorney-at-law in the state of New York, USA</p> <p>Apr. 2009: Partner, Nakamoto & Partners (current position)</p> <p>Oct. 2015: Outside Member of the Board of Directors, Sanesu Co., Ltd.</p> <p>Jun. 2020: Outside Member of the Board of Directors, Nitta Corporation (current position) Outside Member of the Board of Directors (Audit and Supervisory Committee Member), Nitto Fuji Flour Milling Co., Ltd. (current position)</p> <p>Jun. 2023: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p>	*4	-

Position	Name	Date of birth	Brief personal records	Term of office	Number of shares held (thousands of shares)
Outside Member of the Board of Directors (Audit and Supervisory Committee Member)	Kunio Umeda	March 10, 1954	<p>Apr. 1978: Joined the Ministry of Foreign Affairs of Japan</p> <p>Apr. 1995: Director, Second Southeast Asia Division, Asian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jul. 1996: Director, Regional Policy Division, Asian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jul, 1997: Counsellor, the Japanese Embassy in Republic of Peru and Consul-General in Lima, the Ministry of Foreign Affairs of Japan</p> <p>Sep, 1998: Counsellor, the Japanese Embassy in United states of America, the Ministry of Foreign Affairs of Japan</p> <p>Jun, 1999: Counsellor, the Permanent Mission of Japan to the United Nations</p> <p>Jan, 2002: Minister, the Permanent Mission of Japan to the United Nations</p> <p>Sep, 2002: Director, Personnel Division, Minister's Secretariat, the Ministry of Foreign Affairs of Japan</p> <p>Sep, 2004: Counsellor, Minister's Secretariat, Foreign Policy Bureau and Asian and Oceanian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Dec, 2006: Chief Minister, the Japanese Embassy in People's Republic of China, the Ministry of Foreign Affairs of Japan</p> <p>Aug, 2010: Director-General, Southeast and Southwest Asian Affairs Department, Asian and Oceanian Affairs Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Sep, 2012: Director-General, International Cooperation Bureau, the Ministry of Foreign Affairs of Japan</p> <p>Jan, 2014: Ambassador Extraordinary and Plenipotentiary of Japan to Federative Republic of Brazil</p> <p>Oct, 2016: Ambassador Extraordinary and Plenipotentiary of Japan to the Socialist Republic of Vietnam</p> <p>Apr, 2020: Left the Ministry of Foreign Affairs of Japan</p> <p>Oct, 2020: Vice Chairman, National Association for Global & Open Minded Communities (current position)</p> <p>Nov, 2020: Special Assistant to the Ministry of Foreign Affairs of Japan</p> <p>Jun, 2024: Outside Member of the Board of Directors (Audit and Supervisory Committee Member), NIDEC (current position)</p>	*5	0
Total					100,853

- * 1. The number of shares held is the number of shares as of March 31, 2025, and rounded down to the nearest thousand shares.
2. Members of the Board of Directors, Mr. Hiroshi Yoshii, Mr. Shinichi Sato, Ms. Yayoi Komatsu, Ms. Takako Sakai, Ms. Aya Yamada, Ms. Hiroe Toyoshima and Mr. Kunio Umeda are Outside Members of the Board of Directors.
3. A year from the end of the Regular General Meeting of Shareholders held on June 20, 2025.
4. Two years from the end of the Regular General Meeting of Shareholders held on June 20, 2025.
5. Two years from the end of the Regular General Meeting of Shareholders held on June 18, 2024.

② The Outside Members of the Board of Directors and the Outside Members of the Board of Directors who are Audit and Supervisory Committee Members

Of the 11 Members of the Board of Directors, seven are Outside Members, of whom four are Audit and Supervisory Committee Members.

The Outside Members of the Board of Directors make material management decisions and oversee NIDEC's overall business operations from an objective and neutral standpoint based on their expertise and experience in the area of management and law.

The Company appoints Outside Members of the Board of Directors by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. The Company has notified the Tokyo Stock Exchange, Inc. that all Outside Members of the Board of Directors are independent officers.

With regards to the seven Outside Members of the Board of Directors appointed as such following the end of the Regular General Meeting of Shareholders on June 20, 2025, the relationships between the Company and them or the organizations they individually belong to are as follows.

Outside Member of the Board of Directors Mr. Hiroshi Yoshii's experience includes important posts at the Ministry of Finance of Japan, Director General of the Osaka Regional Taxation Bureau, and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Mr. Shinichi Sato's experience includes important posts at the Ministry of Finance of Japan, Vice-Minister, and so forth. Currently, he holds the position of Consultant at other business corporation, and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

Outside Member of the Board of Directors Ms. Yayoi Komatsu's experience includes important posts at the Ministry of Education, Culture, Sports, Science and Technology of Japan, Director-General of Research Promotion Bureau, and so forth. Currently, she holds the positions of Executive Director, The National Museum of Modern Art, Tokyo, and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Ms. Takako Sakai currently holds the positions of Professor of the Osaka Metropolitan University Graduate School of Law, and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Ms. Aya Yamada, who is also Audit and Supervisory Committee Member currently holds the position of Professor of Graduate School of Law, Kyoto University and so forth. The Company made donations to a donated course of the Graduate School of Engineering of Kyoto University to support its educational and research activities. The amounts of donations are ¥39 million in FY2020 (total amount of the university's donation-based income in the same fiscal year: ¥5,766 million), ¥39 million in FY2021 (total amount: ¥5,416 million), ¥49 million in FY2022 (total amount: ¥9,885 million), ¥39 million in FY2023 (total amount: ¥14,869 million), and ¥39 million in FY2024 (total amount: ¥11,691 million). The FY2022 donation includes those made for the university's 125th anniversary project. For any of the aforementioned fiscal years, the amounts of the Company's donations to Kyoto University are insignificant compared with the total amount of the university's donation-based income. Furthermore, based on its joint research contract with the university's Graduate School of Engineering, the Company made a payment of ¥18 million in FY2022, ¥53 million in FY2023, and another payment of ¥44 million in FY2024. In addition, the faculty to which the Company made donations and payment are different from the faculty to which she belongs, and she is not a representative of the university. Thus, there is no direct interest between the Company and Ms. Yamada. Therefore, we believe that the donations will not in any way affect Ms. Yamada's independence as an Outside Member of the Board of Directors who is an Audit and Supervisory Committee Member. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Ms. Hiroe Toyoshima, who is also Audit and Supervisory Committee Member currently holds the position of Partner, Nakamoto & Partners and so forth. There is no current or past special interest between the Company and her or the organizations she belongs to.

Outside Member of the Board of Directors Mr. Kunio Umeda who is also Audit and Supervisory Committee Member, his experience includes the important posts at the Ministry of Foreign Affairs of Japan, such as Ambassador Extraordinary and Plenipotentiary of Japan and so forth. Currently he holds the positions of Special Assistant to the Ministry of Foreign Affairs of Japan and so forth. There is no current or past special interest between the Company and him or the organizations he belongs to.

The ownership of the Company's shares by the Outside Members of the Board of Directors is stated in "① List of Members of the Board of Directors".

As stated above, the Company enhances its supervisory function to improve its management's transparency and objectivity by appointing highly independent people who have no special interest with the Company as Outside Members of the Board of Directors

(3) Audit Status

① Status of the Audit by the Audit and Supervisory Committee

1) Organization, members and procedures of audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee consists of five members (including four members of outside directors who are Audit and Supervisory Committee Members) and audits the execution of duties by directors in accordance with the audit policy and implementation plan established by the Audit and Supervisory Committee, and produces an annual audit report. Mr. Hiroyuki Ochiai held an important position at the Ministry of Economy, Trade and Industry of Japan, etc. and has abundant experience and considerable insight. Ms. Aya Yamada has considerable insight gained in the area of law as a university professor. Ms. Hiroe Toyoshima has a wealth of experience and expertise in the fields of corporate legal affairs, compliance, M&A, etc. as a lawyer. Mr. Kunio Umeda has a wealth of international experience and a broad range of knowledge, having served in key positions such as a special envoy and ambassador in Brazil and Vietnam. Mr. Hiroshi Yoshii has a career of holding important positions at the Ministry of Finance and possesses a considerable degree of knowledge concerning finance and accounting. Ms. Aya Yamada, Ms. Hiroe Toyoshima, Mr. Kunio Umeda and Mr. Hiroshi Yoshii, Audit and Supervisory Committee Members, are outside directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

The outside directors, who are Audit and Supervisory Committee Members oversee NIDEC's overall business operations from an objective and neutral standpoint based on their respective expertise and experience in the area of corporate management and law. The Company appoints outside directors, who are Audit and Supervisory Committee Members by referencing the rules for independent officers defined by Tokyo Stock Exchange, Inc. (TSE). They are highly independent members who have no personal, capital, trading or other conflicts of interest with the Company, and possess no conflict of interest with ordinary shareholders. These members enhance the supervisory function of the Company to improve its management's transparency and objectivity. The Company has notified the TSE that 4 outside directors, who are Audit and Supervisory Committee Members, are independent officers.

- (Note) 1. Mr. Hiroshi Yoshii was elected and appointed as an outside director (Full-time Member of the Audit and Supervisory Committee) at the Regular General Meeting of Shareholders held on June 20, 2025.
2. Mr. Kazuya Murakami, who served as an internal director (Full-time Member of the Audit and Supervisory Committee), resigned from his position as director (Member of the Audit and Supervisory Committee) as of June 20, 2025.

2) Status of the Audit and Supervisory Committee

The Company holds meetings of the Audit and Supervisory Committee once a month in principle, and as needed. In the current fiscal year, the Company holds meetings of the Audit and Supervisory Committee totally 17 times, and the attendance status of each Audit and Supervisory Committee Members as follows.

Category	Name	Number of times held	Number of times attended
Full-time Member of the Audit and Supervisory Committee	Kazuya Murakami	17	17
Full-time Member of the Audit and Supervisory Committee	Hiroyuki Ochiai	17	17
Member of the Audit and Supervisory Committee	Aya Yamada	17	17
Member of the Audit and Supervisory Committee	Hiroe Toyoshima	17	16
Member of the Audit and Supervisory Committee	Junko Watanabe	5	4
Member of the Audit and Supervisory Committee	Kunio Umeda	12	12

(Notes) 1. The difference in the number of times held is due to the difference in the timing of appointment.

2. Mr. Kunio Umeda was a newly appointed Audit and Supervisory Committee Member who was elected at the Regular General Meeting of Shareholders held on June 18, 2024
3. Ms. Junko Watanabe retired from her position as a director (Audit and Supervisory Committee Member) effective June 18, 2024.
4. Mr. Hiroshi Yoshii was a newly appointed Audit and Supervisory Committee Member at the Regular General Meeting of Shareholders held on June 20, 2025. Therefore, attendance details for the current fiscal year are not provided.

The activities of the Audit and Supervisory Committee are outlined below

Matters to be resolved	Preparation of the audit plan
	Selection of Full-time Audit and Supervisory Committee Members and Chairman
	Election, remuneration and others of Directors, etc. (Decision not to state opinions at the General Meeting of Shareholders)
	Consent to election of Directors who are Audit and Supervisory Committee Members
	Preparation of audit reports
	Decision on reappointment of the Accounting Auditor, consent to the amount of audit fees, etc.
Matters to be reported	Interview with Executive Officers such as the Representative Director and President
	Audit and review report by the Accounting Auditor
	Report of plan and result for internal audit (accounting audit and internal control audit)
	Report on status of compliance promotion and whistleblowing, etc.
	Report on the calculation table for distributable amount, etc.
Matters to be discussed	Remuneration for Audit and Supervisory Committee Members

Specific details of activities by the Audit and Supervisory Committee are as follows.

The Audit and Supervisory Committee Members review the proposals of meetings of the board of directors with other Outside Directors and all Audit and Supervisory Committee Members attend them to ensure that decisions are made based on sufficient discussions.

The Audit and Supervisory Committee conducts direct interviews with Executive Officers such as the Representative Director and President. Full-time Audit and Supervisory Committee Members attend important meetings such as the Monthly Executive Meeting, and inspect the minutes of risk meetings, etc. and important documents for approval. In addition, the Company audits the status of business execution, etc. by means such as interviews with Directors, Executive Officers and key employees of the Company and its subsidiaries and conducting on-site audits. The results are reported to the Audit and Supervisory Committee, and important issues related to business risks are reported to the Board of Directors as necessary.

The Audit and Supervisory Committee shares information and exchanges opinions with the Corporate Administration & Internal Audit Department and the Accounting Auditor. The Full-time Audit and Supervisory Committee Members exchange audit information on a monthly basis with the Corporate Administration & Internal Audit Department, which is in charge of internal audit. The Corporate Administration & Internal Audit Department also requests the Audit and Supervisory Committee to report regularly and as needed.

The Audit and Supervisory Committee holds meetings with the Accounting Auditor as necessary, in addition to quarterly meetings, to exchange information and opinions on audit and review results, audit system, audit plan, audit implementation status, etc. Cooperation with the Accounting Auditor is as follows.

Cooperation with Accounting Auditor

Interim Review Report	August, November 2024, February 2025
Audit progress report	May, June ,July 2024, January, May, August, September 2025
Explanation of audit plan, etc.	August 2024
Discussions related to KAM (Key Audit Matters)	June 2024, January 2025

Of these information, with respect to KAM (key audit matters), The Audit and Supervisory Committee, from the selection phase, had intensive discussions with its Accounting Auditor, and, as necessary, requested an explanation from, and exchanged opinions with, the Accounting Auditor, as described in the document. The Audit and Supervisory Committee received detailed explanation from, and had question-and-answer sessions with, its administrative departments and Accounting Auditor.

With respect to the issue in which errors were found in part of the information in the document, “Independent Auditor's Report and Internal Control Audit Report” which was prepared by the Company’s Accounting Auditor, the Audit and Supervisory Committee received a report from the Accounting Auditor on measures to improve audit quality to prevent recurrence of such errors, in the meeting of the Audit and Supervisory Committee held on July 6, 2024.

The Audit and Supervisory Committee has been checking whether the independence of the Accounting Auditor is secured when judging the appropriateness of the methods and results of audits conducted by the Accounting Auditor. In particular, since January 2023, in cases where the Company and its subsidiaries receive non-assurance services from the Accounting Auditor or its network firm, the Company has implemented a procedure whereby the Accounting Auditor first judges that there is no problem with its independence before agreeing to the provision of such services, and then the Audit and Supervisory Committee gives consent on an individual basis.

In addition to the above, the Audit and Supervisory Committee reviews the election and remuneration of Directors who are not Audit and Supervisory Committee Members, etc., including confirmation of discussions at the Nomination Committee and the Remuneration Committee, which are advisory bodies to the Board of Directors, and determines its opinion.

② Status of the Internal Audit

1) Internal audit organization, personnel and procedures

The Company’s Corporate Administrative & Internal Audit Department, which is made up of 31 members conducts internal audit based on an audit plan. Also the Company’s Corporate Administration & Internal Audit Department conducts internal audit on the Company and other NIDEC Group companies to give instructions, support and advice for the improvement of business procedures, and, as necessary, reports and explains to the Company’s management and at the Risk Management Meeting, etc. the issues and problems identified in relation to internal control and other matters to ensure that all departments concerned will improve those matters.

2) Mutual cooperation among internal audit, audit by the Audit and Supervisory Committee, and accounting audit

The Company’s Corporate Administration & Internal Audit Department holds a meeting with the Company’s Audit and Supervisory Committee on a regular basis, to report the results of internal audit on NIDEC group. If necessary, the Corporate Administrative & Internal Audit Department exchanges opinions and information with the Audit and Supervisory Committee and conducts onsite audits in accordance with requests from the Audit and Supervisory Committee. Also, the Corporate Administration & Internal Audit Department receives reports of audit results from the Accounting Auditor, exchanges opinions with them and is advised for improvement by them.

3) Measures to ensure the effectiveness of internal audit

As described in 1) and 2) above, the Corporate Administration & Internal Audit Department, which is in charge of internal audit, ensures that it is independent in terms of organizational structure and actual operations. It also directly reports on the results of audits to the Representative Director and President and the Audit and Supervisory Committee, etc. thereby ensuring the reliability and effectiveness of internal audit.

③ Status of the audit by the Accounting Auditor

1) Name of Auditor

The Company has an auditing agreement with PricewaterhouseCoopers Japan LLC to conduct audits required under the Companies Act and the Financial Instruments and Exchange Act. PricewaterhouseCoopers Japan LLC conducts the financial statement audits from a standpoint of an independent third party. The Company receives reports of audit results from them, exchanges opinions with them and is advised for improvement by them.

2) Continuous audit period

40 years

(Note) The above-mentioned period is the result of an investigation based on the time when the Company was listed on the stock because the investigation was extremely difficult, and the continuous audit period may exceed this period.

3) Certificated public accountants who executed audits

Designated Limited liability Partner	Tsuyoshi Yamamoto
Designated Limited liability Partner	Tatsuro Iwai
Designated Limited liability Partner	Yuichiro Amano
Designated Limited liability Partner	Kyohei Yamaguchi

4) Assistants in auditing operations

23 CPAs and 38 others

5) Reason and assessment for selection of Auditor

The reappointment of the Accounting Auditor is appropriately decided at the Audit and Supervisory Committee meeting, after collecting information from the Company's Finance Department, and Accounting Department, Corporate Administrative & Internal Audit Department and the Accounting Auditor. The Audit and Supervisory Committee confirmed that the audit system is well established based on the Standard on Quality Control for Audits and the audit was suitably conducted.

6) Evaluation contents of the auditor of the submitting company conducted by the Audit and Supervisory Committee

The Audit and Supervisory Committee considers the necessity of reappointment based on the status of quality control of auditor, the independence and expertise of the auditing team, the appropriateness of audit fees, the status of communication with the Members of the Audit and Supervisory Committee and management, the system of group auditors, and others. If the accounting auditors fall under any of the items of Article 340, Paragraph 1 of the Companies Act in Japan and it is deemed appropriate to dismiss the accounting auditor, the Audit and Supervisory Committee shall dismiss the accounting auditor with the consent of all members of the Audit and Supervisory Committee. In the event that it is deemed that there has been a cause that hinders the accounting auditors from performing an appropriate audit, the Audit and Supervisory Committee shall determine the content of a proposal to be submitted to the General Meeting of Shareholders for the dismissal or non-reappointment of the accounting auditors. Based on the above, the Audit and Supervisory Committee has evaluated that there have been no problems with the execution of the duties of the accounting auditors for the current fiscal year and decided to reappoint them.

④ Audit fee, etc.

1) Details of fees paid to the accounting auditor involved in the audit

Category	For the year ended March 31,			
	2024		2025	
	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)
The Company	250	-	558	0
The Company's consolidated subsidiaries	363	-	419	0
Total	613	-	977	0

(For the fiscal year ended March 31, 2024)

Audit fees for non-audit services are not applicable.

(For the fiscal year ended March 31, 2025)

The Company consigns and pays consideration to the accounting auditor for personal income tax related business in Taiwan, which are non-audit services outside the scope of Article 2, Paragraph 1 of Certified Public Accountants Act of Japan.

2) Details of fees paid to the member firms of PricewaterhouseCoopers International Limited, which belong to the same network as the Company's accounting auditor

Category	For the year ended March 31,			
	2024		2025	
	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)	Audit fees for audit services (Yen in millions)	Audit fees for non-audit services (Yen in millions)
The Company	6	-	6	-
The Company's consolidated subsidiaries	1,483	13	1,701	149
Total	1,489	13	1,707	149

(For the fiscal year ended March 31, 2024)

Audit fees for non-audit services for the Company's consolidated subsidiaries include tax-related work, etc.

(For the fiscal year ended March 31, 2025)

Audit fees for non-audit services for the Company's consolidated subsidiaries include tax-related work, etc.

3) Policy for determining the audit fee

In determination of audit fees, factors such as the validity of the auditing plans are verified.

4) Reason for Accepting Audit fee by the Audit & Supervisory Committee

The Audit and Supervisory Committee has confirmed the simulated figures based on audit plan, audit details, and the number of man-hours required to conduct the audit and the personnel allocation plan to carry out the plan. The relationship between auditing service and audit fee are logical, detailed, and clarity. The Audit and Supervisory Committee has approved the audit fee according to Article 399, Paragraph 1 of the Companies Act of Japan.

(4) Remuneration etc., for the Members of the Board of Directors

① Matters concerning the policy to determine the amounts of executives' remuneration or the way to calculate such amounts, and the process to determine the amounts

1) Policy to make decisions on executive remuneration and the process to determine its amounts

a) Basic policy

The Company's remuneration for Members of the Board of Directors shall be determined based on the following policy with the aim of strengthening global competitiveness and the sustainable growth of its business.

- Motivate the executives to improve the Company's value;
- Contribute to securing talented managerial human resources; and
- Ensure that the amount of such remuneration is proper based on the Company's scale and area of business.

b) Outline of remuneration composition

<Outside Members of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members)>

To ensure their independence, the remuneration of outside Members of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members) shall be fixed remuneration only, which is paid monthly.

<Founder and Chairman of the Board>

The remuneration of Founder and Chairman of the Board shall be fixed remuneration only, which is paid monthly.

<Members of the Board of Directors (excluding Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members)>

The remuneration of Members of the Board of Directors (excluding Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members) shall be (i) fixed remuneration according to ranks, (ii) variable remuneration (bonus) based on the evaluation of performance achievement in the previous fiscal year, etc., and (iii) performance-linked share-based remuneration based on performance achievement for three fiscal years, etc.

(ii) Variable remuneration (bonus) is determined taking into account the level of achievement of consolidated net sales and consolidated operating profit targets for each fiscal year and performance and other factors of Members of the Board of Directors. Variable remuneration fluctuates from zero (no payment) to twice its median value (50% of fixed remuneration).

(iii) Performance-linked share-based remuneration covers three consecutive fiscal years, during which the number of points that fluctuates within a range of 0% to 200% according to ranks and the level of achievement of consolidated net sales and consolidated operating profit targets and the number of ESG certifications that have achieved the goals in the ESG ratings for each fiscal year will be granted. After the lapse of the applicable period, the number of the Company's shares calculated based on the cumulative value of points granted will be delivered, and money equivalent to the amount of the Company's shares will be paid (one unit is equivalent to one share).

The ratio of (i) fixed remuneration, (ii) variable remuneration (bonus), and (iii) performance-linked share-based remuneration for Members of the Board of Directors (excluding outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members) shall be approximately 3:1.5:1.

Type of remuneration	Payment criteria	Payment method	Remuneration ratio
			Members of the Board of Directors
Fixed remuneration	• Set according to ranks	Monthly cash payment	3
Variable remuneration (bonus)	<ul style="list-style-type: none"> • Level of achievement of consolidated net sales/consolidated operating profit targets for the previous fiscal year. • Performance and other factors of Members of the Board of Directors are taken into account • Fluctuate from zero to twice the median value of variable remuneration 	Monthly cash payment	1.5
Performance-linked share-based remuneration	<ul style="list-style-type: none"> • Each year, the number of performance-linked units will be granted based on the calculation of “Standard amount for each rank × Performance-linked coefficient” (*). *The number of points that fluctuates within a range of 0% to 200% according to the level of achievement of consolidated net sales and consolidated operating profit targets and the number of ESG certifications that have achieved the goals in the ESG ratings for each fiscal year will be granted • After the lapse of three fiscal years, the number of the Company's shares corresponding to the cumulative points will be delivered, and money equivalent to the amount of the Company's shares will be paid 	After the lapse of three fiscal years (shares and money)	1

c) Process of determining remuneration

The Board of Directors shall determine the amount of fixed remuneration and variable remuneration for each Member of the Board of Directors (excluding Members of the Board of Directors who are Audit and Supervisory Committee Members) in accordance with the criteria stipulated in the above policy and based on the recommendations of the Remuneration Committee, which is a voluntary advisory body. In addition, the Board of Directors shall similarly determine the content of performance-linked share-based remuneration in view of the recommendations of the Remuneration Committee.

d) Forfeiture of remuneration (clawback and malus)

Fixed and variable remuneration may be reduced with the consent of the relevant person if he or she has caused serious damage to the Company.

In addition, if a person eligible for performance-linked share-based remuneration commits a serious violation of his or her duties or internal rules or other misconduct after the beneficiary right vesting date, the Company may seek compensation from that person.

2) Details of the performance-linked share-based remuneration plan to be launched in FY2024

In FY2018, our group introduced a performance-linked share-based remuneration plan (the "Plan") for the Company's Members of Directors (excluding Founder and Chairman of the Board, outside Members of the Board of Directors and Members of the Board of Directors who are Audit and Supervisory Committee Members), Executive Officers and other executives equivalent in rank thereto (the "Members of the Board of Directors et al. of NIDEC") and for our major group companies' Members of the Board of Directors (excluding outside Members of the Board of Directors) and Executive Officers (the "Members of the Board of Directors et al. of NIDEC Group", collectively referred to as the "Members of the Board of Directors et al. of NIDEC" are inclusive of our company directors, and are collectively referred to as the "Eligible Board Members"). This Plan was partially revised in the 51st Regular General Meeting of Shareholders held on June 18, 2024 (The number of the Members of the Board of Directors who will become eligible for the Plan after this General Meeting Shareholders will be two). Even after the aforementioned change to the Plan, its purpose of motivating those covered by it to, among others, achieve a performance target to further improve our group's corporate value on a mid- and long-term basis and the remuneration varies based on annual performance goal achievement remains unchanged. Since FY2021, though, the Plan has been modified for remuneration to fluctuate based on the degree of achieving each fiscal year's consolidated net sales and operating profit targets. Additionally, we have newly incorporated the number of ESG certifications that have achieved their goals in major ESG ratings (namely MSCI, FTSE, and CDP) since 2024. Specifically, based on the following method, the amount of each remuneration is finalized after calculating the number of units (shares) to be provided to the Eligible Board Members under the Plan for three consecutive fiscal years (which are from the fiscal year ending in March 2025 to the one ending in March 2027, or which, if the trust period is extended, are three fiscal years thereafter, hereinafter referred to as the "Applicable Period"). In principle, the number of shares that correspond to the number of accumulated units will be issued to the Eligible Board Members under the Plan in the month of July after the Applicable Period ends. In principle, shares are issued to 50% of the shares that correspond to the units (rounded down to the nearest whole trading unit), whereas money are provided for the rest, from the aspect of securing funds for tax payment.

The Company also adopts a similar share-based payment plan for certain other executives of the Company.

<Metrics related to performance-linked share-based remuneration>

a) Metrics and weightings to be used to link base units to performance

Metric to be used	Weighting	FY2024 Target	FY2024 Result
Consolidated net sales	45%	¥ 2.4500 trillion	¥ 2.6078 trillion
Consolidated operating profit	45%	¥ 260.0 billion	¥ 238.1 billion

(Note) Figures shown in yen are rounded down.

Metric to be used	Weighting	FY2024 Target	FY2024 Result
ESG Certification	10%	Determined based on the ESG rating or score of the Company by MSCI, FTSE, and CDP.	1 certification(CDP)

b) Reasons for the metrics to have been selected

The Company sees the consolidated sales, consolidated operating profit, and ESG certification as an index to improve its corporate value on a mid- to long-term basis.

c) How the amounts of the remuneration are determined

Based on the degree of achievement against the aforementioned index, the Company multiplies the base units provided to eligible Members of the Board of Directors and others in accordance with their job grades by a performance-linked coefficient (0 – 200%), to calculate the number of performance-linked units, which are given to the Members and accumulated annually. In principle, the number of shares that are equivalent to that of the accumulated units will be issued to the Eligible Members of the Board of Directors and others in July, after the end of the applicable period. However, this rule will not apply to, among cases, someone who has become a non-resident or deceased during an applicable period, or who has retired from office at the expiration of his/her term of office.

3) Reason why the Board of Directors determined that the content of individual remuneration, etc. for Members of the Board of Directors who are not Audit and Supervisory Committee Members for the fiscal year is in line with the determination policy

As the content of individual remuneration, etc. for Members of the Board of Directors was deliberated and determined by the Board of Directors with full regard for the recommendations of the Remuneration Committee, based on the committee's comprehensive consideration of the original proposal, including its consistency with the determination policy, the Company believes that the content is in line with the determination policy.

② Committee that is involved in the determination of the policy to determine the amounts of executive remuneration, etc. or their calculation method

1) Name of the committee: The Remuneration Committee

2) Main issues discussed in the Remuneration Committee

The committee was held in May 2024 to discuss the followings.

- The details to determine the amount of remuneration for the Members of the Board of Directors who are not Audit and Supervisory Committee Members and Executive Officers.

③ Date of the General Meeting of Shareholders resolved the amount of remuneration, etc., for Members of the Board of Directors, and the details of the resolution

1) Members of the Board of Directors who are not Audit and Supervisory Committee Members, etc.

Type of remuneration	Date of resolution	Recipient	Upper limit	Number of those in attendance at the time of the resolution
Fixed	June 17, 2020	Members of the Board of Directors who are not Audit and Supervisory Committee Members	¥1,000 million per year (including ¥100 million per year for outside Members of the Board of Directors)	4
Share-based	June 22, 2021	Members of the Board of Directors who are not Audit and Supervisory Committee Members (excluding outside members of the Board of Directors), Vice Presidents, and those of equal positions	The upper limit of the three fiscal years, which are the initial period, is ¥2,730 million, 504,000 shares	Members of the Board of Directors: 2 Vice Presidents, etc.: 31
Share-based	June 18, 2024	Members of the Board of Directors who are not Audit and Supervisory Committee Members (excluding Founder and Chairman of the Board and outside Members of the Board of Directors), Vice Presidents, and those of equal positions	The upper limit of the three fiscal years, which are the initial period, is ¥2,730 million, 735,000 shares	Members of the Board of Directors: 2 Vice Presidents, etc.: 27

(Note) The above number of shares represents their number after the one-to-two share split on October 1, 2024.

2) Members of the Board of Directors who are Audit and Supervisory Committee Members

Type of remuneration	Date of resolution	Recipient	Upper limit	Number of those in attendance at the time of the resolution
Fixed	June 17, 2020	Members of the Board of Directors who are Audit and Supervisory Committee Members	¥100 million per year	5

④The total amount of remuneration, etc., by officer category, the total amount of remuneration, etc., by type, and the number of persons are as follows:

Category	Total amount of remuneration, etc. (Yen in millions)	Total amount of remuneration, etc. by type (Yen in millions)				Number of persons
		Fixed remuneration	Variable remuneration	Performance-linked share-based remuneration	Retirement benefits	
Members of the Board of Directors (excluding Audit and Supervisory Committee Members and outside Members of the Board of Directors)	171	176	-	(5)	-	3
Audit and Supervisory Committee Members (excluding outside Members of the Board of Directors)	40	40	-	-	-	2
Outside Members of the Board of Directors and outside Members of the Audit & Supervisory Committee	60	60	-	-	-	7

(Notes)1. Introduction of the performance-linked share-based compensation plan for Members of the Board of Directors, etc. was resolved at the 45th Regular General Meeting of Shareholders held on June 20, 2018. The aforementioned amounts are the amounts recorded as expenses in this fiscal year based on Japanese GAAP. Outside Members of the Board of Directors are not covered by this plan.

2. As the amount of performance-linked share-based remuneration finalized in this fiscal year fell below the cumulative remuneration amount calculated at the end of the previous fiscal year, the difference is shown as a reduction in the above table.

(5) Status of shares held

① Framework and way of thinking for category about investment shares

We specify the separation about shares for investment held for any purpose pure investment or other than pure investment as follows.

(Purpose for pure investment)

Shares for investment held for any purpose to gain the benefits by occurring capital gain from stock price fluctuations and receiving dividend income solely

(Purpose other than pure investment)

Shares for investment held for any purpose other than pure investment out of investment securities recorded on the balance sheet

② Shares for investment held for any purpose other than pure investment

1) Our way to assess holding policy and economic rationality, contents that were assessed share holding appropriateness about each share at Board of Directors meeting

Basic policy for cross-shareholding

NIDEC holds shares in the companies that NIDEC has relationships with in terms of trading and cooperation in its business or other areas when it judges the shareholding contributes to the company's corporate value expansion through stabilizing its business for a mid to-long-term perspectives by maintaining and strengthening the relationship with them. NIDEC assesses its cross-held shares individually at the Board of Directors every year on not only qualitative aspect such as purposes of the shareholding, but also, on quantitative aspect such as benefits that can be brought through the shareholding from the perspective of economic rationality. According to the results of the assessment, NIDEC intends to reduce the number of shares held if the cross-shareholding would make insignificant benefits.

2) Number of issuer and carrying value

	Number of issuer	Total carrying value (Yen in millions)
Unlisted shares	7	1,426
Other than unlisted shares	15	16,142

(Issuers of increased shares within current fiscal year)

	Number of issuer	Total acquisition cost of increased shares (Yen in millions)	Reasons for increase in number of shares held
Unlisted shares	-	-	-
Other than unlisted shares	1	1	-Holding shares from the perspective of ensuring the possibility of exercising shareholder rights, such as requesting to view shareholder register.

(Issuers of decreased shares within current fiscal year)

	Number of issuer	Total selling value of decreased shares (Yen in millions)
Unlisted shares	-	-
Other than unlisted shares	-	-

3) Issuer, number of shares held, carrying value and purposes for ownership of the shares for investment held for any purpose other than pure investment

Issuer	Current fiscal year	Previous fiscal year	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares	Owned by another company (Yes / No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
Brother Industries, Ltd.	1,120,300	1,120,300	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	3,018	3,161	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Mitsubishi UFJ Financial Group, Inc.	1,251,129	1,251,129	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	2,516	1,948	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Kyoto Financial Group, Inc.	822,624	822,624	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	1,872	2,271	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
The Shiga bank, Ltd.	318,488	318,488	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	1,675	1,336	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
NICHICON Corporation	1,184,600	1,184,600	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,450	1,522	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
ROHM Co., Ltd.	914,400	914,400	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,306	2,221	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

Issuer	Current fiscal year	Previous fiscal year	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares	Owned by another company (Yes / No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
HORIBA, Ltd.	124,500	124,500	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,238	1,996	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
KYOCERA Corporation	702,400	702,400	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,177	1,421	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
SCREEN Holdings Co., Ltd.	115,200	115,200	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	1,105	2,300	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Sumitomo Mitsui Financial Group, Inc.	94,449	31,483	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	358	280	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year -Number of shares are increasing due to stock split reason	
The Hachijuni Bank, Ltd.	256,439	256,439	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution	Yes
	271	267	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	
Nissha Printing Co., Ltd.	56,300	56,300	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship	Yes
	77	83	-Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	

Issuer	Current fiscal year	Previous fiscal year	Purpose of shareholding, overview of business alliance, quantitative effects of shareholding and reason for increase in number of shares	Owned by another company (Yes / No)
	Number of shares held	Number of shares held		
	Carrying value (Yen in millions)	Carrying value (Yen in millions)		
The Fukui Bank, Ltd.	42,100	42,100	-Enhancing financial security including financing by maintaining smooth and close trust relationship with the financial institution -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	76	82		
NAGANO KEIKI Co., Ltd.	665	665	-Improving corporate value over the medium to long term by maintaining and enhancing business relationship and cooperative relationship -Verifying both whether purposes for ownership are appropriate or not, and economic rationality about benefits from shareholding at a board meeting every fiscal year	Yes
	1	2		
Makino Milling Machine Co., Ltd.	100	-	-Holding shares from the perspective of ensuring the possibility of exercising shareholder rights, such as requesting to view shareholder register.	No
	1	-		

③ Shares for investment held for pure investment purposes

Classification	Current fiscal year		Previous fiscal year	
	Number of issuer	Total carrying value (Yen in millions)	Number of issuer	Total carrying value (Yen in millions)
Unlisted shares	-	-	-	-
Other than unlisted shares	-	-	-	-

Classification	Current fiscal year		
	Total amount of dividends received (Yen in millions)	Total amount of gains and losses on sale (Yen in millions)	Total amount of valuation gains and losses (Yen in millions)
Unlisted shares	-	-	-
Other than unlisted shares	-	-	-

④ The shares whose purpose was changed from pure investment to any other investment than pure investment during the current fiscal year

Not applicable.

⑤ The shares whose purpose was changed from other investment than pure investment to pure investment during the current fiscal year and the past four fiscal year

Not applicable.

V. Consolidated Financial Statements and Other Information

(Investigations by Third-Party Committees and Other Internal Investigations)

The Company recognized the suspicion of inappropriate accounting treatment, that may have a significant impact on the entire consolidated financial statements, with the involvement or knowledge of its or their management—namely, for example, that those companies could be construed to have arbitrarily considered when to write down certain assets with risk in terms of their asset value. Therefore, the Company recognized the need for objective investigations by a third-party committee independent of the Company. Accordingly, the Company decided to establish a third-party committee in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations on September 3, 2025.

In addition, Company has conducted internal investigations to the various issues concerning trade transactions and customs.

The investigations by the Third-Party Committee and other internal investigations are ongoing, and if any misstatements are identified as a result of the investigations, they could have a material and pervasive impact on the consolidated financial statements. However, as the amounts of such impact may not be limited to specific financial statement line items and notes, such impact has not been reflected in the consolidated financial statements.

Details of investigations by Third-Party Committees and other internal investigations are described in the Notes to Consolidated Financial Statements “Investigations by Third-Party Committees and Other Internal Investigations”.

1. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Yen in millions)

	Note	As of March 31,	
		2024	2025
Assets			
Current assets			
Cash and cash equivalents	8	217,005	246,239
Trade and other receivables	10	672,655	701,987
Other financial assets	11, 35	3,762	1,286
Income tax receivables		12,457	22,363
Inventories	12	560,247	556,432
Other current assets	13	72,439	90,278
Total current assets		1,538,565	1,618,585
Non-current assets			
Property, plant and equipment	14	876,485	931,059
Goodwill	15	394,540	407,067
Intangible assets	15	250,307	280,228
Investments accounted for using the equity method	37	8,352	1,044
Other investments	16, 35	36,448	36,338
Other financial assets	35	18,649	5,973
Deferred tax assets	25	16,464	16,530
Other non-current assets	17	19,899	18,469
Total non-current assets		1,621,144	1,696,708
Total assets		3,159,709	3,315,293

(Yen in millions)

(Ten in millions)			
		As of March 31,	
	Note	2024	2025
Liabilities			
Current liabilities			
Short term borrowings	21, 22, 35	42,954	93,710
Long term debt due within one year	21, 22, 35	143,128	163,849
Trade and other payables	18	527,952	576,593
Other financial liabilities	19, 35	14,001	4,780
Income tax payables		44,343	30,402
Provisions	26	63,457	48,701
Other current liabilities	20	120,667	138,763
Total current liabilities		956,502	1,056,798
Non-current liabilities			
Long term debt	21, 22, 35	414,817	378,487
Other financial liabilities	35	5,115	3,718
Income tax payables		-	254
Retirement benefit liabilities	23	34,344	32,505
Provisions	26	2,062	1,766
Deferred tax liabilities	25	78,239	86,970
Other non-current liabilities		10,409	11,002
Total non-current liabilities		544,986	514,702
Total liabilities		1,501,488	1,571,500
Equity			
Common stock	28	87,784	87,784
Additional paid-in capital	28	98,099	97,445
Retained earnings		1,212,672	1,331,273
Other components of equity	24, 28	400,871	376,251
Treasury stock		(167,945)	(175,604)
Total equity attributable to owners of the parent		1,631,481	1,717,149
Non-controlling interests		26,740	26,644
Total equity		1,658,221	1,743,793
Total liabilities and equity		3,159,709	3,315,293

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Yen in millions)

		For the years ended March 31,	
	Note	2024	2025
Continuing operations			
Net Sales	5, 30	2,347,159	2,607,813
Cost of sales	31	(1,849,997)	(2,071,392)
Gross profit		497,162	536,421
Selling, general and administrative expenses	31	(254,251)	(217,706)
Research and development expenses	31	(81,055)	(80,599)
Operating profit	5	161,856	238,116
Financial income	32	36,294	36,859
Financial expenses	32	(21,867)	(23,659)
Derivative gain (loss)	34	(188)	(694)
Foreign exchange differences		32,738	(14,134)
Share of net profit (loss) from associate accounting using the equity method	37	(7,164)	(3,179)
Profit before income taxes		201,669	233,309
Income tax expenses	25	(76,274)	(72,437)
Profit for the year from continuing operations		125,395	160,872
Discontinued operations			
Loss for the year from discontinued operations	6	(44)	(204)
Profit for the year		125,351	160,668
Profit for the year attributable to:			
Owners of the parent		124,455	164,365
Non-controlling interests		896	(3,697)
Profit for the year		125,351	160,668
Earnings (loss) per share attributable to owners of the parent-basic (yen)			
Continuing operations	33	108.34	143.24
Discontinued operations		(0.04)	(0.18)
Total		108.30	143.06

Consolidated Statements of Comprehensive Income

(Yen in millions)

	Note	For the years ended March 31,	
		2024	2025
Profit for the year		125,351	160,668
Other comprehensive income, net of taxation			
Items that will not be reclassified to net profit or loss:			
Remeasurement of defined benefit plans		986	1,892
Fair value movements on FVTOCI equity financial assets		6,171	(2,210)
Items that may be reclassified to net profit or loss:			
Foreign currency translation adjustments		195,438	(22,409)
Effective portion of net changes in fair value of cash flow hedges		456	(3,307)
Fair value movements on FVTOCI debt financial assets		(390)	(51)
Total other comprehensive income for the year, net of taxation	24	202,661	(26,085)
Comprehensive income for the year		328,012	134,583
Comprehensive income for the year attributable to:			
Owners of the parent		325,712	139,424
Non-controlling interests		2,300	(4,841)
Comprehensive income for the year		328,012	134,583

(3) Consolidated Statements of Changes in Equity

For the year ended March 31, 2024

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2023		87,784	97,670	1,121,191	206,837	(166,917)	1,346,565	19,189	1,365,754
Comprehensive income									
Profit for the year				124,455			124,455	896	125,351
Other comprehensive income	24				201,257		201,257	1,404	202,661
Total comprehensive income							325,712	2,300	328,012
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(1,028)	(1,028)	-	(1,028)
Dividends paid to the owners of the parent	29			(40,227)			(40,227)	-	(40,227)
Dividends paid to non-controlling interests							-	(156)	(156)
Share-based payment transactions			(85)				(85)	-	(85)
Transfer to retained earnings				7,223	(7,223)		-	-	-
Increase (decrease) by business combination			358				358	5,145	5,503
Other			156	30			186	262	448
Balance at March 31, 2024		87,784	98,099	1,212,672	400,871	(167,945)	1,631,481	26,740	1,658,221

For the year ended March 31, 2025

(Yen in millions)

	Note	Total equity attributable to owners of the parent						Non-controlling interests	Total equity
		Common Stock	Additional paid-in capital	Retained earnings	Other components of equity	Treasury stock	Total		
Balance at April 1, 2024		87,784	98,099	1,212,672	400,871	(167,945)	1,631,481	26,740	1,658,221
Comprehensive income									
Profit for the year				164,365			164,365	(3,697)	160,668
Other comprehensive income	24				(24,941)		(24,941)	(1,144)	(26,085)
Total comprehensive income							139,424	(4,841)	134,583
Transactions with owners directly recognized in equity:									
Purchase of treasury stock						(7,784)	(7,784)	-	(7,784)
Dividends paid to the owners of the parent	29			(45,969)			(45,969)	-	(45,969)
Dividends paid to non-controlling interests							-	(721)	(721)
Share-based payment transactions			(272)			123	(149)	-	(149)
Transfer to retained earnings				(322)	322		-	-	-
Increase (decrease) by business combination			628	494			1,122	5,477	6,599
Other			(1,010)	33	(1)	2	(976)	(11)	(987)
Balance at March 31, 2025		87,784	97,445	1,331,273	376,251	(175,604)	1,717,149	26,644	1,743,793

(4) Consolidated Statements of Cash Flows

(Yen in millions)

	For the years ended March 31,	
	Note	
	2024	2025
Cash flows from operating activities:		
Profit for the year from continuing operations	125,395	160,872
Loss for the year from discontinued operations	(44)	(204)
Profit for the year	125,351	160,668
Adjustments to reconcile profit for the year to net cash provided by operating activities		
Depreciation	110,364	113,972
Amortization	22,169	24,096
Loss (gain) from sales, disposal and impairment of property, plant and equipment	20,262	1,011
Loss (gain) from sales of discontinued operations	44	204
Financial expenses (income)	(14,844)	(14,554)
Share of net (profit) loss from associate accounting using the equity method	7,164	3,179
Deferred income taxes	(8,033)	14,407
Current income taxes	84,307	58,025
Foreign currency adjustments	(5,316)	9,829
Increase (decrease) in retirement benefit liability	(1,536)	(1,774)
Decrease (increase) in accounts receivable	(2,910)	(29,617)
Decrease (increase) in inventories	21,492	(2,690)
Increase (decrease) in accounts payable	(4,312)	30,036
Other, net	21,843	(13,850)
Interests and dividends received	35,648	36,842
Interests paid	(20,221)	(21,270)
Income taxes paid	(70,706)	(84,086)
Net cash provided by operating activities	320,766	284,428

For the years ended March 31,			
	Note	2024	2025
Cash flows from investing activities:			
Additions to property, plant and equipment		(112,049)	(120,711)
Proceeds from sales of property, plant and equipment		17,544	9,355
Additions to intangible assets		(16,391)	(28,118)
Acquisitions of business, net of cash acquired		(17,745)	(4,279)
Other, net		(24,912)	(3,502)
Net cash used in investing activities		(153,553)	(147,255)
Cash flows from financing activities:			
	9		
Increase (decrease) in short term borrowings		(118,576)	50,867
Proceeds from issuance of long term debt		50,000	71,787
Repayments of long term debt		(20,697)	(15,197)
Redemption of bonds		(50,000)	(130,000)
Payments for acquisition of interests in subsidiaries from non-controlling interests		(869)	(3,386)
Purchase of treasury stock		(1,028)	(7,784)
Dividends paid to the owners of the parent		(40,227)	(45,969)
Other, net		(160)	(511)
Net cash used in financing activities		(181,557)	(80,193)
Effect of exchange rate changes on cash and cash equivalents		45,251	(36,719)
Net increase (decrease) in cash and cash equivalents		30,907	20,261
Cash and cash equivalents at beginning of year		186,098	217,005
Cash and cash equivalents at beginning of year of newly consolidated subsidiaries		-	8,973
Cash and cash equivalents at end of year	8	217,005	246,239

Notes to Consolidated Financial Statements

(Investigations by Third-Party Committees and Other Internal Investigations)

(1) Investigations by Third-Party Committees

The Company recognized the suspicion of inappropriate accounting treatment, that may have a significant impact on the entire consolidated financial statements, with the involvement or knowledge of its or their management—namely, for example, that those companies could be construed to have arbitrarily considered when to write down certain assets with risk in terms of their asset value. Therefore, the Company recognized the need for objective investigations by a third-party committee independent of the Company. Accordingly, the Company decided to establish a third-party committee in compliance with the “Guidelines for Third-Party Committees in Cases of Corporate Misconduct” established by the Japan Federation of Bar Associations on September 3, 2025. Matters such as fact-finding investigations into suspected improper accounting, calculation of the amount of impact if improper accounting is found, root cause investigations and recommendation of recurrence prevention measures if improper accounting is found, and other matters deemed necessary by the third-party committee are commissioned to the Third-Party Committee.

(2) Other internal investigations

The Company has conducted internal investigations including orders to external experts to the following issues concerning trade transactions and customs.

- (i) The Company has recognized trade transactions issues and customs issues arising from the occurrence of additional unpaid duties due to an error in the country of origin declaration in accordance with the customs laws and regulations of the United States in the consolidated fiscal year including the previous fiscal year at NIDEC FIR INTERNATIONAL S. R. L. (“FIR”), an Italian consolidated subsidiary of the Company. An internal investigation has been conducted with external experts, and the impact of unpaid customs duties etc, recognized at this point as a result of the investigation by the external experts is reflected in the consolidated financial statements. Actions in response to the assessment of the parties involved, which are currently under internal investigation, the impact on internal control, and the necessity of additional unpaid customs duties, etc. will be taken based on the results of the investigation by the Third-Party Committees.
- (ii) During the course of the internal investigations on the trade transactions issues and customs issues described in (i), it has been discovered that, with respect to free-of-charge export transactions involving used goods to China during the previous fiscal years at Nidec Elesys Corporation (currently, the Inverter Business Division, the Automotive Motor & Electronic Control Business Unit, Nidec Corporation), there are suspicious cases where the reported value for customs purposes was declared to be lower than the appropriate amount without legitimate reason. The Company has commissioned an additional investigation into these cases to external experts as part of an internal investigation.
- (iii) Furthermore, during the course of the internal investigations on the trade transactions issues and customs issues described in (i), the Company has discovered suspicions that appropriate measures were not taken for cases in which a Swiss consolidated subsidiary of the Company engaged in export transactions without conducting the necessary registration. The Company also identified, through a whistleblowing report, suspicions that a Chinese consolidated subsidiary of the Company conducted intentional underreporting of withholding tax. The Company is proceeding with necessary internal actions, including the confirmation of relevant facts.

The investigations by the Third-Party Committee and other internal investigations are ongoing, and if any misstatements are identified as a result of the investigations, they could have a material and pervasive impact on the financial statements. However, as the amounts of such impact may not be limited to specific financial statement line items and notes, such impact has not been reflected in the financial statements.

1. Reporting entity

Nidec Corporation (the "Company") is a corporation located in Japan, whose shares are listed on the Tokyo Stock Exchange. The registered addresses of headquarters and principal business offices are available on the Company's website (<https://www.nidec.com/en/>).

Consolidated Financial Statements as of March 31, 2025 and for the fiscal year then ended consist of the Company and its consolidated subsidiaries ("NIDEC") and interests in associates of NIDEC. See "I. Overview of the Company, 4. Information on Affiliates" for a structure of group companies.

NIDEC mainly designs, develops, produces, and sells products as described below:

- 1) Small precision motors, which include spindle motors for hard disk drives, brushless motors, fan motors, vibration motors, brush motors, water-cooling modules and motor applications.
- 2) Automotive products, which include automotive motors and components, and traction motor system.
- 3) Appliance, commercial and industrial products, which include home appliance, commercial and industrial motors and related products.
- 4) Machinery, which includes industrial robots, card readers, test systems, press machines, power transmission drives and machine tools.
- 5) Electronic and optical components, which include switches, sensors, lens units and camera shutters.
- 6) Others, which include music boxes and services.

2. Basis of preparation of consolidated financial statements

(1) Compliance with International Financial Reporting Accounting Standards (IFRS Accounting)

The consolidated financial statements of NIDEC have been prepared in accordance with IFRS Accounting pursuant to the provision of Article 312 of the Regulations on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, as the Company meets the criteria of a "Designated IFRS Accounting Specified Company" defined in Article 1-2 of the Regulations.

(2) Basis of measurement

As stated in "Note 3. Material accounting policies", the consolidated financial statements have been prepared on a historical cost basis, except for retirement-defined benefit plan assets, some assets and liabilities, including derivative and other financial instruments measured at fair value.

(3) Presentation currency and level of rounding

The consolidated financial statements are presented in Japanese Yen, which is also the Company's functional currency, and figures are rounded to the nearest million yen, unless otherwise indicated.

(4) Changes in accounting policies

(Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7)

From the current consolidated fiscal year, NIDEC has adopted IAS 7 "Statement of Cash Flows" (revised in May 2023) and IFRS 7 "Financial Instruments: Disclosures" (revised in May 2023) (expanded disclosure requirements for supplier finance arrangements).

Please refer to Note "18. Trade and other payables" for the impact on NIDEC.

However, there are no material impacts of the above standards on NIDEC's consolidated financial statements.

(5) Issued IFRS Accounting standards and interpretations not yet adopted by NIDEC

The following is a list of major IFRS Accounting standards and interpretations that are issued or amended before the approval date of the consolidated financial statements, but not yet adopted by NIDEC. This potential impacts on NIDEC's consolidated financial statements are still under consideration and cannot be estimated at this time.

IFRS Accounting		Effective date (Fiscal year beginning on or after)	NIDEC's application date (Fiscal year ending)	Summaries of new standards and amendments
IAS 21	The Effects of Changes in Foreign Exchange Rates	January 1, 2025	March 31, 2026	Providing accounting and disclosure of currencies that are not convertible for other currencies.
IFRS9 IFRS7	Financial Instruments Financial Instruments: Disclosures	January 1, 2026	March 31, 2027	Clarifying the measurement of financial assets with environmental, social and corporate governance (ESG). Amendment of disclosures regarding investments in equity instruments.
IFRS9 IFRS7	Financial Instruments Financial Instruments: Disclosures	January 1, 2026	March 31, 2027	Prescribes accounting procedures and disclosures regarding power purchase agreements
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	March 31, 2028	Require that the income statement be divided into five categories: operating, investing, financing, corporate income tax, and discontinued operations. Require disclosure of information about each MPM in a single note to the financial statements when disclosing company- specific performance measures that meet management's definition of performance measures (MPMs).
IFRS 10 IAS 28	Consolidated Financial Statements Investments in Associates and Joint Ventures	Undecided	Undecided	Amendments of accounting processing for sales of assets to affiliates.

3. Material accounting policies

Material accounting policies apply to all periods mentioned in the consolidated financial statements.

(1) Basis of consolidation

The consolidated financial statements include financial statements of NIDEC and investments in associates.

(i) Subsidiaries

Subsidiaries are all entities over which NIDEC has the control. NIDEC controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Financial statements of subsidiaries are included in the consolidated financial statements from the date when NIDEC gets control to the date when NIDEC loses control of it.

The financial statements of the subsidiaries may be adjusted where accounting policies are different to those of NIDEC.

Inter-company receivables and payables, transactions, and unrealized gains and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

There may be additional purchase and/or partial sale of shares of the subsidiaries by NIDEC. Changes in NIDEC's ownership interests in subsidiaries that do not result in a loss of control are reported as equity transactions. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration is directly recognized in equity and attributable to the owners of the parent. When losing control, any gain or loss associated with the loss of control is recognized as net profit or loss.

(ii) Non-controlling interests

Non-controlling interests of consolidated subsidiaries are presented separately from the equity of the owners of the parent.

Non-controlling interests consist of those interests on the date of the initial business combination and changes of the non-controlling interests from the date of the combination. Comprehensive income is allocated to the controlling and non-controlling interests, even when the allocation results in negative non-controlling interests.

(iii) Associates

Associates are all entities over which NIDEC has the ability to exercise significant influence on their financial and operating policies but does not have control.

Associates are accounted for using the equity method from the date when NIDEC acquires significant influence to the date when NIDEC loses it. The investments in associates include goodwill recognized upon acquisition.

(2) Business combinations

Business combinations are accounted for on the date when NIDEC acquires controls over the businesses according to the acquisition method. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the aggregate of the consideration transferred, acquirer's non-controlling interest, and, in a business combination achieved in stages, the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of NIDEC's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of income as a gain on bargain purchase.

Non-controlling interests are presented separately from the equity of the owners of the parent. The non-controlling interest can be measured using either of the following methods:

- 1) Measuring a non-controlling interest at its fair value.
- 2) Measuring the non-controlling interest's proportional share of the net value of the identifiable assets acquired and the liabilities assumed.

This policy choice is made for each business combination.

NIDEC uses provisional amounts in its consolidated financial statements if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs. NIDEC retrospectively adjusts the provisional amounts during the measurement period, which shall not exceed one year from the acquisition date.

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid / received is not recognized as goodwill or gains and losses but recognized in additional paid-in capital.

(3) Foreign currency translation

(i) Functional currency

Each entity in NIDEC group determines its own functional currencies and transactions of each entity are measured in its own functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or an exchange rate which approximates the prevailing rates. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies using closing rates are recognized in the consolidated statements of income, except for those deferred in equity as effective cash flow hedges.

(iii) Foreign operations

With regard to the financial statements of foreign subsidiaries and associates, assets and liabilities are translated into Japanese yen by using the exchange rates prevailing at the closing date. Income and expenses are translated into Japanese yen at the average exchange rates prevailing during the fiscal period. Exchange differences arising from the translation of financial statements of foreign operations are recognized in other comprehensive income. When NIDEC disposes a foreign operation and loses control or significant influence of the foreign operation, the cumulative exchange differences related to the operation are recognized in the consolidated statements of income as part of the gain or loss on disposal.

(4) Cash and cash equivalents

Cash and cash equivalents are cash, deposits readily withdrawn as needed and highly liquid investments which have original maturities within three months from the acquisition date that are convertible to cash of the presented amount and are subject to an insignificant risk of changes in value caused by interest rate fluctuation due to short maturity. NIDEC participates in an arrangement with a single financial institution to carry out notional pooling between group companies including foreign subsidiaries, to fund short-term liquidity needs. The facility allows for cash withdrawals from this financial institution up to our aggregate cash deposits within the same financial institution. This arrangement represents a single unit of account for accounting purposes.

(5) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the average cost basis. Cost of projects in progress, which mainly relate to production of factory automation equipment based on contracts with customers, are determined by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable completion cost and selling expense.

(6) Property, plant and equipment

Property, plant and equipment are measured by using the cost model and are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of items of property, plant and equipment includes costs directly attributable to the acquisition, the initial estimate of costs of dismantling and removing the items and restoring the site on which they are located, and the borrowing cost that meets the criteria for capitalization.

Costs incurred after initial recognition are recognized as an asset, either by including the amount in the carrying amount of the acquired asset or recognizing the amount as a separate asset, only when it is probable that future economic benefits associated with the costs will flow to NIDEC and the amount can be reliably measured. All other costs of repairs and maintenance are charged to the income statement during the fiscal year in which they are incurred.

The depreciable amounts of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each asset. The depreciable amount of an asset is determined by deducting its residual value from its cost.

The estimated useful lives of major classes of property, plant and equipment are as follows:

Buildings 3–50 years

Machinery and equipment 2–15 years

The estimated useful lives, residual values, and depreciation methods of property, plant and equipment are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

(7) Goodwill and intangible assets

(i) Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill is not amortized, but allocated to cash-generating units, based on the allocation of expected benefits from business combination, and tested for impairment annually or whenever there is an indication of impairment. Impairment losses of goodwill are recognized on the consolidated statements of income and cannot be reversed.

Initial measurement policies of goodwill are stated in "(2) Business combinations".

(ii) Intangible assets

Intangible assets are measured by using the cost model and are stated at cost less accumulated amortization and impairment losses.

Intangible assets acquired separately are measured at cost upon initial recognition, and those acquired by business combination are recognized separately from goodwill at fair value at acquisition date if these intangible assets meet the definition of intangible assets, are identifiable, and are able to be measured reliably at fair value.

Research expenditure, which is defined as investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized as an expense as incurred.

Costs incurred on development projects are recognized as intangible assets when the following conditions are met: the costs incurred can be measured reliably, the assets are technologically feasible to be industrialized, the assets are estimated to provide economic benefit to NIDEC, and NIDEC has intention and ample resources to complete the development and utilize and/or commercialize the assets. Other development expenditure is recognized as an expense as incurred.

Intangible assets that have a definite useful life are mainly amortized by a straight-line method based on estimated useful lives. These estimated useful lives of major intangible assets are described below.

Customer relationships 5 – 30 years

Proprietary technology 10 – 20 years

Software 2 – 10 years

Capitalized development costs 2 – 12 years

The useful lives and amortization method of intangible assets with finite useful lives are reviewed at the end of the period. Any changes are regarded as a change in accounting estimate and recognized prospectively.

For intangible assets with finite useful life, an impairment test is carried out when there is an indication that the unit may be impaired. Intangible assets with indefinite useful life or which are not available for use are not amortized, and impairment test is carried out on an annual basis (January 1) or at time when there is an indication that the unit may be impaired, or situation is changed.

(8) Leases

A contract is considered to be a lease or to contain a lease if the right to control the use of an asset identified at the inception of the contract is conveyed over a period of time in exchange for consideration.

1. Lessee

If the contract is a lease or contains a lease, the right-of-use assets and lease liabilities are included in the consolidated financial statements at the inception date.

In the measurement of the right-of-use assets, NIDEC adopts a cost model and indicates acquisition costs by the amount deducting the accumulated depreciation and the accumulated impairment loss and adjusted for any remeasurement for the lease liability. Acquisition costs include the initial measurement of lease liabilities, lease payments made at or before the commencement date, and initial direct costs. The right-of-use assets are depreciated using the straight-line method over the estimated useful lives or lease terms, whichever is shorter. When NIDEC as the lessee is reasonably certain to exercise a purchase option, NIDEC shall depreciate the right-of-use asset over the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of lease payments that are not paid at the inception date and discounted using the interest rate implicit in the lease (if that rate can be readily determined) or NIDEC's incremental borrowing rate.

The lease term is determined with considering an option to extend the lease and an option to terminate the lease under the non-cancelable contract period. Leases with a lease term of 12 months or less and low-value leases are not recognized as the right-of-use assets and lease liabilities and are recognized over the lease term as expenses on a straight-line basis.

2. Lessor

Among the lease transactions, those that substantially transfer all the risks and rewards of ownership to the Group are classified as finance lease agreements, and leases other than finance leases are classified as operating leases.

For finance leases, net investments in finance leases are recognized as lease receivables (presented in "Trade and other receivables"). Lease payments receivable are categorized into amounts equivalent to the principal and interest of lease receivables, and the effective interest method is used to calculate the amount equivalent to the interest of each lease payment receivable.

For operating leases, lease income is recognized in profit or loss over the lease term.

(9) Government grants

Government grants are recognized at fair value if there is reasonable assurance that NIDEC will comply with the conditions associated with the grants and they will be received.

When government grants are related to expense items, they are deducted from the related costs. Government grants related to assets are deducted from the cost of the assets.

(10) Impairment of non-financial assets

At the end of each reporting period, NIDEC assesses each of its assets to see whether there is an indication that it may be impaired. If there is an indication that an asset may be impaired or an annual impairment test is required, then the asset's recoverable amount is estimated. For goodwill, intangible assets having indefinite useful life, and intangible assets not yet available for use, an impairment test is carried out at least once per year or whenever there is an indication of impairment.

When it is not possible to estimate the recoverable amount of an individual asset, NIDEC estimates the recoverable amount of the cash-generating unit to which the asset belongs. For capitalized development costs, each development project is treated as a cash-generating unit, and NIDEC estimates the recoverable amount using the plan for each development project (including sales, raw material costs, and depreciation forecast).

The recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset or a cash-generating unit is less than its carrying amount, the carrying amount of the asset or the cash-generating unit is reduced to its recoverable amount, and the reduction is recognized as an impairment loss.

In measuring the value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.

NIDEC assesses whether there is any indication that an impairment loss recognized in previous years for all non-financial assets other than goodwill may no longer exist or may have decreased in such case that there are any changes in assumptions used for the determination of the recoverable amount. If such indication exists, the recoverable amount of the asset or the cash-generating unit is estimated. If the recoverable amount of the asset or the cash-generating unit is greater than its carrying amount, a reversal of an impairment loss is recognized, to the extent the increased carrying amount does not exceed the lower of the recoverable amount and the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in previous years.

(11) Financial instruments

(i) Initial recognition

Financial assets are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date). Trade and other receivables are initially recognized on the date such receivables arise. Financial liabilities such as debt instruments issued by NIDEC are recognized at issuance date, and other financial liabilities are recognized when NIDEC becomes a party to the contractual provisions of the instrument (at the transaction date).

Financial assets and liabilities are measured at fair value at initial recognition. Transaction cost directly attributable to the acquisition of financial assets and issuance of financial liabilities is added to financial assets' fair value or subtracted from financial liabilities' fair value at initial recognition except for those measured at fair value through consolidated statement of income (FVTPL financial assets and FVTPL financial liabilities). NIDEC does not possess any non-derivative FVTPL financial liabilities as of the end of this period. Transaction costs that are directly attributable to the acquisition of FVTPL financial assets are recognized in consolidated statement of income.

(ii) Non-derivative financial assets

NIDEC classifies non-derivative financial assets upon initial recognition as either financial assets measured at amortized costs, financial assets measured at fair value through other comprehensive income (FVTOCI financial assets) or FVTPL financial assets.

Financial assets measured at amortized costs

Financial assets are subsequently measured by amortized costs if both of the following conditions are met:

- Financial assets are held in a business model with the objective to collect contractual cash flows.
- Contractual cash flows represent solely payments of principal and interest on the principal amount outstanding on specified dates.

Financial assets measured at amortized cost are initially measured at fair value (including direct transaction costs). The carrying amount of financial assets measured at amortized cost is subsequently measured using the effective interest method. Interest accrued on financial assets measured at amortized cost is included in financial income in the consolidated statement of income.

FVTOCI financial assets

(a) FVTOCI debt financial assets

Financial assets are classified as FVTOCI debt financial assets if both of the following conditions are met:

- It is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A change in fair value of FVTOCI debt financial assets except for impairment gain or loss and foreign exchange gain or loss is recognized as other comprehensive income until derecognition. Upon derecognition the cumulative gain or loss previously recognized in other comprehensive income is reclassified to consolidated statement of income.

(b) FVTOCI equity financial assets

Upon initial recognition, NIDEC may make an irrevocable election to present changes in the fair value of an investment in equity financial assets that is not held for trading as other comprehensive income.

FVTOCI equity financial assets are measured at fair value after initial recognition, and its change in fair value is recognized as other comprehensive income, which is immediately transferred directly to retained earnings from other components of equity. It does not flow through consolidated statement of income. However, dividends from such investments are recognized in consolidated statement of income as part of financial income.

FVTPL financial assets

Financial assets that do not qualify as financial assets measured at amortized costs are classified as FVTPL financial assets except for those that are qualified or designated as FVTOCI financial assets. All equity investments are to be classified as FVTPL financial assets and subsequently measured at fair value, with value changes recognized in consolidated statement of income, except for those equity investments for which NIDEC has made an irrevocable election to present value changes in other comprehensive income upon initial recognition.

(iii) Impairment of financial assets measured at amortized costs

For financial assets measured at amortized costs, expected credit loss allowance against expected credit loss is estimated and recognized at each reporting date.

When the credit risk of the financial instrument has increased significantly since initial recognition until the reporting date, expected credit loss allowance against the financial instrument is measured at the same amount as full lifetime expected credit losses after all reasonable and supportable information available including forecasts is considered. Especially the following indicators are incorporated:

- external credit rating (as far as available)
- actual or expected significant adverse change in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- significant increases in credit risk on other financial instruments of the same borrower

Otherwise, expected credit loss allowance against the financial instrument is measured at the amount equivalent to the 12-month expected credit losses.

However, with respect to trade receivables, notwithstanding the aforementioned, expected credit loss allowance is always measured at an amount equal to full lifetime expected credit losses.

The amount of expected credit losses and reversal of them is recognized as impairment losses and reversal of impairment losses in net profit or loss.

(iv) Derecognition of non-derivative financial assets

Non-derivative financial assets are derecognized when the contractual rights to receive cash flows from the financial assets expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset are transferred. Any rights and obligations created or retained in the transfer are recognized as separate assets and liabilities.

(v) Derecognition and subsequent measurement of non-derivative financial liabilities

After initial recognition, non-derivative financial liabilities, including trade and other payables and other financial liabilities, are subsequently measured at amortized cost using the effective interest method. Interest accrued on these financial liabilities is included in financial expenses in the consolidated statement of income.

The financial liabilities are derecognized when the obligations are fulfilled or when liabilities are discharged, cancelled, or expired.

(vi) Derivatives and hedge accounting

NIDEC is engaged in derivative transactions and mainly uses foreign exchange forward contracts, interest rate swap agreements, currency swap agreements, and commodity futures contracts to manage its exposure to risks from changes in foreign exchange rates, interest rates, and commodity prices. NIDEC does not hold derivative financial instruments for trading purpose.

Derivatives are initially recognized at fair value with transaction costs recognized in net profit or loss as incurred, and then subsequently measured at fair value with changes in fair value generally recognized in net profit or loss unless hedge accounting is applied where changes in cash flows from the hedging instrument can offset changes in cash flows from the hedged item to an extent that an objective assessment that the hedging relationship meets the hedge effectiveness requirements can be made.

At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship between the hedging instruments and the hedged items, NIDEC's risk management objective, strategy for undertaking the hedge, methods for assessing whether a hedging relationship meets the hedge effectiveness requirements and methods for measuring hedge effectiveness and hedge ineffectiveness. NIDEC judges that the hedge is effective if all of the following requirements are met:

- there is an economic relationship between the hedged item and the hedging instruments;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

NIDEC also formally assesses, both at and after the hedge's inception, whether the derivatives used in hedging transactions are effective in offsetting changes in cash flows of the hedged items. When it is determined that the hedge is not effective or that it has ceased to be effective, NIDEC discontinues hedge accounting prospectively.

Cash flow hedge is accounted for as follows:

When derivative instruments are designated as hedging instruments to offset against the change in cash flows arising from the specific risk that relates to recognized assets or liabilities or highly probable forecast transactions that could affect profit or loss, the effective portion of changes in fair value of derivatives is recognized as cash flow hedges in other components of equity. The ineffective portion of changes in fair value of hedging derivative instruments is recognized in net profit or loss.

The balance of cash flow hedges in other comprehensive income in the consolidated statements of comprehensive income is reclassified to the same accounting item as hedging instrument in the statements of income in the same period or periods during which the hedged expected future cash flows affect profit for the year. However, when the hedged forecast transaction results in the recognition of a non-financial asset (for example, inventories, property, plant and equipment, etc.) or a liability, the gains and losses previously deferred in equity are transferred from equity and included directly in the initial cost or other carrying amount of the asset or liability.

If the transactions do not meet the criteria of hedge accounting, or if the hedging instruments expire, or are sold, terminated or exercised, or if the designations have been revoked, the application of hedge accounting shall be prospectively terminated. When a cash flow hedge is discontinued, the balance of cash flow hedges already recognized in other comprehensive income remain in the same account until forecast transaction impacts profit for the year. If it is probable that the forecast transaction will not occur, the balance of cash flow hedge is transferred into net profit or loss immediately.

(12) Income taxes

(i) Current tax

Income tax expenses are comprised of current and deferred taxes, and recognized in net profit or loss, except for those recognized in other comprehensive income or directly in equity.

Income tax payables and income tax receivables at the end of the reporting period are calculated at the amount expected to be paid to or recovered from the taxation authority. Tax rates and tax laws used to calculate tax amounts have been enacted or substantively enacted up to the end of the reporting period.

Current taxes related to items that are recognized in other comprehensive income are recognized in other comprehensive income. Taxes related to items that are recognized directly in equity are recognized directly in equity.

Income tax receivables and income tax payables are offset if, NIDEC has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(ii) Deferred tax

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets and liabilities are measured at the effective tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available to allow deductible temporary differences, unused tax losses, and unused tax credits to be utilized. The carrying amounts of the deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available.

Unrecognized deferred tax assets are also reviewed for collectability at each reporting date, and are recognized to the extent that it is probable that the deferred tax assets will be collectible from future taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences in general.

Deferred tax assets and liabilities relating to following temporary differences are not recognized:

- Taxable temporary differences arising from the initial recognition of goodwill.
- Temporary differences arising from the initial recognition of assets and liabilities from transactions that do not generate taxable or deductible temporary differences at the time of the transaction and affect both accounting income and taxable profit, except for business combinations.
- Taxable temporary differences associated with investments in subsidiaries and associates when NIDEC is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are presented as non-current assets and liabilities.

Deferred tax assets and liabilities are offset only if NIDEC has a legally enforceable right to set off income tax receivables against income tax payables and either of the following criteria is met:

- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
- The deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on different taxable entities which intend either to settle income tax receivables and income tax payables on a net basis, or to realize the assets and settle the liabilities simultaneously.

As part of the global minimum tax agreed upon by the Organization for Economic Cooperation and Development (OECD), the treatment of the Income Inclusion Rule (IIR) was stipulated in the “Act for the Partial Revision of the Income Tax Law.” (Act No. 3 of 2023) as part of the Japanese tax reform of 2023. As a result, from the fiscal year ended March 31, 2025, if the effective tax rate calculated by country is lower than the standard tax rate (15%), the Ultimate Parent Entity(UPE) will file and pay tax in Japan up to the standard tax rate on net income (profit) aggregated by country (top-up taxation). In addition, NIDEC has applied the exceptional provisions regarding the recognition and disclosure of deferred tax assets and deferred tax liabilities related to corporate income taxes that arise from tax laws related to this rule, and has not recognized any deferred tax assets or deferred tax liabilities as of the end of current fiscal year.

(13) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits such as wages, salaries, social security contributions and other non monetary benefits are not discounted and recognized as an expense when an employee has rendered service to NIDEC.

NIDEC recognizes the cost of bonus payments estimated in accordance with its bonus plan as a liability when NIDEC has a present legal or constructive obligation to make such payments as a result of past services provided by employees and a reliable estimate of the obligation can be made.

From the fiscal year ended March 31, 2025, the period eligible for the payment of bonuses by the Company and some of its consolidated subsidiaries was changed to match the Company's fiscal year.

(ii) Retirement benefits

Retirement benefits of NIDEC include defined benefits and defined contribution plans.

Net defined benefit assets or liabilities are calculated as the present value of the defined benefit obligation less the fair value of plan assets and they are recognized in the consolidated statements of financial position as assets or liabilities. The defined benefit obligation is calculated by using the projected unit credit method. The present value of the defined benefit obligation is calculated by the expected future payments using discount rate. The discount rate is determined by reference to market yield on high-quality corporate bonds having maturity terms consistent with the estimated term of the related pension obligations.

Service cost and net interest expense (income) on the net defined benefit liabilities (assets) are recognized in profit or loss.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest, and any change in the effect of the asset ceiling, are recognized as incurred in other comprehensive income under "remeasurement of defined benefit plans", and transferred therefrom to retained earnings immediately.

Contributions paid for defined contribution plans are expensed in the period in which the employees provide the related service.

(14) Provisions

Provisions are recognized when NIDEC has present legal or constructive obligations as a result of past events, it is probable that the settlement of the obligations will be required, and reliable estimates of the obligations can be made.

The detail of the major provision is as follows:

Provision for product warranties

NIDEC provides warranties for specific products and services for a certain period. A provision for product warranties is calculated mainly based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

(15) Share-based payment

NIDEC has adopted a performance-linked share-based compensation plan (the "Plan"). NIDEC has adopted equity-settled share-based payments and cash-settled share-based payments.

(i) Equity-settled share-based payments

Equity-settled share-based payments measured with the Plan is measured the received services by fair value of the shares of the company at the grant date, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in additional paid-in capital.

(ii) Cash-settled share-based payments

Cash-settled share-based payments measured with the Plan is measured the received services by the fair value of the liabilities, and is recognized as expenses over the vesting period, and an equivalent amount is recognized as an increase in the liabilities. The fair value of the liabilities are remeasured at the end of the year and the settlement date, with changes in the fair value recognized in profit or loss.

(16) Revenue recognition

NIDEC recognizes revenues based on the following five-step approach.

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in the contract.

Step 3: Calculate the transaction price.

Step 4: Allocate the transaction price to each performance obligation in the contract.

Step 5: An entity recognizes revenue when a performance obligation is satisfied.

(i) Sales of goods

NIDEC manufactures and sells small precision motors, automotive products, certain appliance, commercial and industrial products, certain machinery, and electronic and optical components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Construction contracts

Additionally, for certain appliance, commercial and industrial products and certain machinery, NIDEC transfers control of a good or service over time and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales of certain appliance, commercial and industrial products and certain machinery based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by the contract.

(iii) Contract assets and Contract liabilities

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer.

(iv) Assets recognized from the costs to obtain or fulfill a contract with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer that are directly associated with the contract as an asset, if those costs are expected to be recoverable. The assets recognized from the costs to obtain or fulfill a contract with a customer are amortized over the period for which the services based on a contract are provided.

The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The costs incurred in fulfilling contracts with customers is that recognizes costs as assets when those costs are not within the scope of another accounting standard, are directly related to a contract or an anticipated contract that can specifically identify, are expected to be recovered, and generate or enhance resources of that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(17) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset and remain in assets until the intended use or sale is capable. Other borrowing costs are recognized as an expense in the consolidated statements of income in the period in which they are incurred.

(18) Common stock, additional paid-in capital, and treasury stock

(i) Ordinary shares

Proceeds from the issuance of ordinary shares by the Company are included in common stock and additional paid-in capital. Transaction costs of issuing ordinary shares (net of tax) are deducted from additional paid-in capital.

(ii) Treasury stock

When the Company reacquires its own equity instruments (treasury stock), the amount of the consideration paid including transaction costs is deducted from equity. NIDEC never recognizes profit and loss when it purchases, sells and disposes treasury stock. When the Company sells treasury stock, the difference between the carrying amount and the consideration received from the sale is recognized in additional paid-in capital.

(19) Fair value estimation

NIDEC measures derivative financial instruments and financial instruments measured at fair value using their fair values at the end of the period. See "Note 35. Fair values" for the definition of fair value and inputs (i.e. various presumptions) used to develop those measurements.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period.

(20) Earnings per share

Basic earnings per share attributable to owners of the parent are calculated by dividing profit for the year attributable to owners of the parent by the weighted-average number of ordinary shares outstanding during the reporting period adjusted by the treasury stocks held.

The calculation of diluted earnings per share attributable to owners of the parent is similar to the calculation of basic earnings per share, except that the weighted-average number of shares outstanding includes the additional dilution from potential ordinary shares equivalents such as convertible bonds and share acquisition rights.

4. Significant accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

The estimates and the assumptions are reviewed on an ongoing basis, and the effects resulting from the revisions of accounting estimates are recognized in the period in which the estimates are revised and in future periods.

Judgments and estimates with significant risks of causing material adjustments to the carrying amounts of assets and liabilities in the next fiscal year are as follows:

- Property, plant and equipment (see Notes 3 (6) and 14)
- Goodwill and intangible assets (see Notes 3 (7) and 15)
- Collectability of receivables (see Notes 3 (11), 10 and 39)
- Retirement benefit liabilities (see Notes 3 (13) and 23)
- Recoverability of deferred tax assets (see Notes 3 (12) and 25)
- Provisions (see Notes 3 (14) and 26)
- Fair value of financial instruments (see Note 35)
- Contingent liabilities (see Notes 3 (14) and 40)

5. Segment information

(Operating segment information)

The operating segments reported below are defined as components of NIDEC about which separate financial information is available that is evaluated regularly by management in deciding how to allocate resources and in assessing performance. Business units and domestic group companies that are currently profit management units of NIDEC are identified as its reportable segments.

NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. This was due to reviews of the report materials by NIDEC's chief operating decision maker. The former "Nidec Instruments" segment, "Nidec Techno Motor" segment, "Nidec Mobility" segment, "Nidec Advance Technology" segment and "Other" segments have been disclosed as "Group Company Business" segment.

All prior period segment information has been reclassified in accordance with current period presentation.

NIDEC's operating segments are as follows:

Name	Main products
1. SPMS	Hard disk drives spindle motors and other small precision motors
2. AMEC	Automotive products
3. MOEN	Appliance, commercial and industrial products
4. ACIM	Appliance, commercial and industrial products
5. Nidec Machinery and Automation	Machinery, machine tools
6. Group Company Business	Automotive products, appliance, commercial and industrial products, machinery, electronic components, other small precision motors and others

The following tables show net sales to external customers and other financial information by operating segment:

Net sales to external customers:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
SPMS	330,596	391,265
AMEC	338,540	348,685
MOEN	459,828	573,921
ACIM	428,009	462,269
Nidec Machinery and Automation	204,388	213,386
Group Company Business	585,798	618,287
Consolidated net sales	2,347,159	2,607,813

(Note) The above amounts no longer include discontinued operations.

There was no certain customer group which exceeded 10% of the consolidated net sales for the years ended March 31, 2025 and 2024.

Net sales to other operating segments:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
SPMS	2,732	4,323
AMEC	1,208	2,169
MOEN	3,681	3,986
ACIM	9,981	5,507
Nidec Machinery and Automation	2,696	7,538
Group Company Business	48,838	46,770
Total	69,136	70,293
Intersegment elimination	(69,136)	(70,293)
Consolidated net sales	-	-

(Note) The above amounts no longer include discontinued operations.

Segment profit/loss:*(Yen in millions)*

	For the years ended March 31,	
	2024	2025
SPMS	25,958	41,130
AMEC	(55,694)	(3,004)
MOEN	61,285	70,319
ACIM	42,646	40,647
Nidec Machinery and Automation	28,353	17,828
Group Company Business	75,582	87,589
Total	178,130	254,509
Elimination and Corporate (Note)	(16,274)	(16,393)
Operating profit	161,856	238,116
Financial income (expenses)	14,427	13,200
Derivative gain (loss)	(188)	(694)
Foreign exchange differences	32,738	(14,134)
Share of net profit (loss) from associate accounting using the equity method	(7,164)	(3,179)
Profit before income taxes	201,669	233,309

(Notes)*1. “Elimination and corporate” includes corporate expenses, which do not belong to any operating segment, of ¥16,887 million and ¥17,438 million for the years ended March 31, 2025 and 2024, respectively. The corporate expenses include basic research expenses and head office expenses.

*2. The above amounts no longer include discontinued operations.

Depreciation:*(Yen in millions)*

	For the years ended March 31,	
	2024	2025
SPMS	21,265	19,318
AMEC	26,495	26,909
MOEN	12,369	17,062
ACIM	17,563	18,705
Nidec Machinery and Automation	9,604	10,021
Group Company Business	35,603	38,455
Subtotal	122,899	130,470
Others (Note)	(14,914)	(18,953)
Corporate	2,379	2,455
Total	110,364	113,972

(Note) The depreciation of each segment includes amortization of intangible assets, etc., while depreciation in the consolidated statements of cash flows does not include the amortization of intangible assets, etc. Therefore, “Others” removes the amount of the amortization of intangible assets, etc.

In the AMEC segment, the impairment loss of ¥35,608 million is recognized during the fiscal year ended March 31, 2024. However, no significant impairment losses have been recognized during the fiscal year ended March 31, 2025. NIDEC does not have any other significant non-cash transactions except for the depreciation and the impairment loss described above. Transactions between the operating segments are conducted at market value.

(Supplemental information)

Net sales by type of product

Net sales by type of product are as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Small precision motors:		
Hard disk drives spindle motors	70,608	100,219
Other small precision motors	345,101	387,670
Subtotal	415,709	487,889
Automotive products	580,909	664,623
Appliance, commercial and industrial products	966,082	1,052,655
Machinery	298,375	314,591
Electronic and optical components	81,839	84,404
Other products	4,245	3,651
Consolidated net sales	2,347,159	2,607,813

- (Notes) 1. "Small precision motors" consists of "hard disk drives spindle motors" and "other small precision motors". "Other small precision motors" consists of brushless motors, fan motors, vibration motors, brush motors, water-cooling modules and motor applications, etc.
 "Automotive products" consists of automotive motors, components and traction motor system.
 "Appliance, commercial and industrial products" consists of home appliance, commercial and industrial motors and related products.
 "Machinery" consists of industrial robots, card readers, test systems, press machines, power transmission drives and machine tools, etc.
 "Electronic and optical components" consists of switches, sensors, lens units and camera shutters, etc.
 "Other products" consists of music boxes and services, etc.
2. The above amounts no longer include discontinued operations.

Geographic information

Net sales attributed to countries based on the location of the Company or its subsidiaries that transacted with external customers and non-current assets for each country are as follows:

Net sales

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Japan	381,530	402,224
China	535,640	551,191
Other Asia	277,773	350,288
U.S.A.	558,501	594,855
Europe	490,773	595,916
Others	102,942	113,339
Consolidated net sales	2,347,159	2,607,813

(Note) Major countries which belong to segments are as follows:

Other Asia : Thailand, South Korea, India

Europe : France, Germany, Italy

Others : Brazil, Mexico, Canada

Non-current assets (Property, plant and equipment, Goodwill, Intangible assets and Long-term prepaid expenses)

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Japan	291,777	298,705
China	266,214	267,305
Other Asia	155,436	144,099
U.S.A.	310,853	314,574
Europe	385,911	479,053
Others	122,560	124,269
Total non-current assets	1,532,751	1,628,005

(Note) Major countries which belong to segments are as follows:

Other Asia : Vietnam, Thailand, the Philippines

Europe : France, Italy, Germany

Others : Brazil, Mexico, Canada

6. Discontinued Operations

NIDEC was ordered sales of the business of compressor for refrigerator of Secop as the condition of acquisition of the compressor business (“Embraco”) of Whirlpool Corporation by European Commission. In accordance with this order, on April 12, 2019, NIDEC conferred effective operational control over Secop on a Hold Separate Manager and a Monitoring Trustee. As a result, NIDEC excluded Secop from consolidation and classified the loss related to this as discontinued operations on consolidated statements of income. NIDEC sold Secop to ESSVP IV L.P., ESSVP IV (Structured) L.P., and Silenos GmbH & Co. KG (collectively “ESSVP IV”), advised by Orlando Management AG (the “Transaction”) on September 9, 2019. NIDEC has negotiated the purchase price adjustment and the other factors of the consideration for the sales with Orlando Management AG and ESSVP IV, but NIDEC did not reach an agreement. As the result, NIDEC submitted the request for an arbitration to the German Arbitration Institute(DIS) on January 12, 2021 and commenced arbitration with Secop. After approximately 26 months of discussions, Nidec reached a settlement agreement with Secop on March 2023, and the arbitration concluded. However, some selling costs are still expected to arise in the future.

(1) Main reason for the Transaction

NIDEC is actively moving forward with the development of new growth platforms with particular emphasis on appliance, commercial and industrial motors and solutions. As Secop develops, manufactures and sells products of compressors for consumer and commercial type refrigerators, from the acquisition of Secop in 2017, NIDEC’s appliance motor business in Global Appliance Division has expanded further into the refrigeration market. However, on April 12, 2019, NIDEC acquired a conditional approval of the European Commission in connection with NIDEC’s acquisition of Embraco from Whirlpool Corporation and NIDEC decided to sell Secop. In addition, NIDEC acquired an approval of the European Commission that ESSVP IV is the appropriate purchaser of Secop and acquired the European Commission’s approval of the acquisition of Embraco on June 26, 2019. The Transaction was made following NIDEC’s commitment to the European Commission to sell Secop to a suitable purchaser as a condition for the European Commission’s approval.

(2) Name of the transferee company and date of the Transaction

Name of the transferee company	ESSVP IV
Date of the Transaction	September 9, 2019

(3) Name of the company to be transferred, major business and name of operating segment

Name of the company	Secop
Major business	Compressor business for refrigerator
Name of operating segment	ACIM

(4) Transition of ownership ratio for the company

Ownership ratio before the transfer	100%
Transferred ownership ratio	100%
Ownership ratio after the transfer	-

(5) Profit (loss) for the period from discontinued operations

(Yen in millions)

	For the year ended March 31,	
	2024	2025
Other loss	(44)	(204)
Loss before income taxes from discontinued operations	(44)	(204)
Loss for the period from discontinued operations	(44)	(204)

(Note) On April 12, 2019, Secop was excluded from consolidation due to loss of control.

(6) Cash flows from the discontinued operations

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Net cash provided (used in) by operating activities	-	-
Net cash (used in) provided by investing activities	(76)	(207)
Net cash used in financing activities	-	-
Total	(76)	(207)

(Notes)1. On April 12, 2019, Secop was excluded from consolidation due to loss of control.

2. Net cash (used in) provided by investing activities includes net cash related to sales of Secop.

7. Business combinations and loss of control

On October 1, 2024 (Canada time), NIDEC has acquired 100% of equity shares of Linear Transfer Automation Inc., Linear Automation USA Inc., and Presstrader Limited, privately-owned Canadian companies (collectively the “Linear”), from its shareholders of ¥4,279 million. Linear manufactures, sells and serves for press peripheral equipment. Through the transaction, NIDEC will be able to offer a wide range of products and services to our customers and pursue following synergies in terms of products, sales, and technology.

- (1) As a comprehensive press and automation group, we are able to provide total system solutions by adding peripheral equipment for pre- and post-processing to the press machine itself and selling complete press lines to customers.
- (2) Sales expansion will be possible by selling our presses and peripheral equipment to Linear’s customers, and also by selling Linear’s products to our customers.
- (3) Linear’s products can be deployed to Europe and Asia markets utilizing Nidec’s global sales, service and manufacturing bases, which will enable shorter delivery times while also enabling us to improve the level of customer service in each region.

This acquisition did not have a material impact on NIDEC’s consolidated financial position and results of operations.

(1) Purchase price allocation to the assets and the liabilities

During the three months ended June 30, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Automatic Feed Company, Lasercoil Technologies LLC and Automatic Leasing Company. NIDEC’s consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

During the three months ended September 30, 2024, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Takisawa Machine Tool Co., Ltd. NIDEC’s consolidated financial statements for the year ended March 31, 2024 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

Effect on the consolidated statement of financial position as of March 31, 2024 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Current assets	
Inventories	(118)
Non-current assets	
Property, plant and equipment	(799)
Intangible assets	1,385
Deferred tax assets	209
Acquired assets at fair value	677
Non-current liabilities	
Deferred tax liabilities	39
Assumed liabilities at fair value	39
Net fair value of acquired assets and assumed liabilities	638
Goodwill	(1,603)

For further information on the changes in goodwill, refer to "15. Goodwill and intangible assets". Details of the intangible assets in above table are as follows:

(Yen in millions)

	Weighted average amortization period	Retrospective amendment
Trademark rights	No amortization	477
Trademark rights	15 years	37
Customer relationships	15 years	861
Other intangible assets	2 years	10

Effect on the consolidated statement of income for the year ended March 31, 2024 by the amendments of assets acquired and liabilities assumed upon the acquisitions in the previous fiscal year is as follows:

(Yen in millions)

	Retrospective amendment
Operating profit	(943)
Profit before income taxes	(943)
Profit attributable to owners of the parent	(689)

During the three months ended March 31, 2025, NIDEC completed its valuation of the assets acquired and the liabilities assumed upon the controlling interest acquisition of Nidec PSA emotors. NIDEC's consolidated financial statements for the year ended March 31, 2025 reflect the revision of the initially allocated amounts of acquisition price as NIDEC finalized the provisional accounting treatment for the business combination.

During the three months ended March 31, 2025, NIDEC revised its valuation of the assets acquired and the liabilities assumed upon the share acquisition of Linear Transfer Automation Inc., Linear Automation USA Inc., and Presstrader Limited. NIDEC's consolidated financial statements for the year ended March 31, 2025 reflect the revision of the initially allocated amounts of acquisition price as NIDEC revised the provisional accounting treatment for the business combination.

Of the assets acquired and the liabilities assumed upon the acquisitions of companies in the year ended March 31, 2025, the assets and liabilities which are currently under evaluation have been recorded on NIDEC's consolidated statements of financial position based on provisional management estimation as of March 31, 2025.

(2) Loss of control

March 31, 2025, Nidec Precision Corporation transferred Nidec Precision's shares (approximately 68.4%) in Nidec Precision Yamada Corporation, a subsidiary of Nidec Precision Corporation and joint venture with Apic Yamada Corporation, to Apic Yamada Corporation. As a result, Nidec Precision Corporation lost effective control over Nidec Precision Yamada Corporation. Gain on sales arising from the transfer is included in "selling, general and administrative expenses" in the consolidated statements of income.

(3) Gain on step acquisitions

NIDEC acquired a controlling interest in Nidec PSA emotors, an equity-method affiliate of NIDEC, and made it a consolidated subsidiary as of April 1, 2024. Correspondingly, NIDEC recognized gain on step acquisitions of ¥11,966 million as a result of remeasuring the shares of the said company held by the end of the previous fiscal year in fair value on the acquisition date. Gain on step acquisitions is included in "selling, general and administrative expenses" in the consolidated statements of income.

8. Cash and cash equivalents

The breakdown of cash and cash equivalents is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Cash on hand	2,266	16,604
Cash in banks	204,775	226,764
Cash equivalents	9,964	2,871
Cash and cash equivalents in consolidated statements of financial position	217,005	246,239
Cash and cash equivalents in consolidated statements of cash flows	217,005	246,239

Cash in banks includes cash deposits and cash withdrawals that are accounted for as a single unit of account under the notional pooling arrangement.

Cash equivalents consist mainly of time deposit within 3 months and short-term investment.

9. Supplemental cash flow information

The supplemental information associated with cash flow is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Non-cash investing and financing activities:		
Accrued amount of lease liabilities	12,505	10,910

10. Trade and other receivables

The breakdown of trade and other receivable is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Notes receivable	36,839	36,120
Electronically recorded monetary claims	18,764	16,630
Trade receivable	542,617	577,500
Other accounts receivable	79,696	78,056
Expected credit loss allowances	(5,261)	(6,319)
Total	672,655	701,987

11. Other financial assets

The breakdown of other financial assets is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Derivatives assets	3,166	692
Advances paid	556	537
Other	40	57
Total	3,762	1,286

12. Inventories

The breakdown of inventories is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Finished products	202,988	186,854
Raw materials	232,108	244,244
Work in progress	102,688	101,965
Supplies and other	22,463	23,369
Total	560,247	556,432

The acquisition costs of inventories that were recognized as expenses for the year ended March 31, 2025 were mainly included in "cost of sales". The amounts of write-down of inventories for the years ended March 31, 2024 and 2025 were ¥6,051 million and ¥6,964 million, respectively.

13. Other current assets

The breakdown of other current assets is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Prepaid expenses	18,115	18,685
Contract assets	32,115	48,671
Advance payments	11,941	12,753
Other	10,268	10,169
Total	72,439	90,278

14. Property, plant and equipment

The breakdown of "property, plant and equipment" in the consolidated statements of financial position is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Property, plant and equipment	817,786	873,233
Right-of-use assets	58,699	57,826
Total	876,485	931,059

For changes in the right-of-use assets, refer to "38. Leases".

Changes in acquisition cost, accumulated depreciation and impairment losses and carrying amount of property, plant and equipment are as follows:

(Acquisition costs)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2023	78,433	344,678	1,025,948	98,728	1,547,787
Acquisitions	606	4,188	30,549	71,169	106,512
Acquisitions through business combinations	4,032	3,857	1,660	193	9,742
Disposals	(14,051)	(9,449)	(40,411)	(958)	(64,869)
Reclassification	847	7,350	59,666	(71,825)	(3,962)
Foreign currency translation adjustments	2,517	26,156	107,483	10,941	147,097
Others	(156)	43	7,314	(5,070)	2,131
Balance at March 31, 2024	72,228	376,823	1,192,209	103,178	1,744,438
Acquisitions	746	8,032	34,433	85,311	128,522
Acquisitions through business combinations	-	2,806	8,793	34,291	45,890
Disposals	(360)	(3,162)	(29,323)	(3,663)	(36,508)
Reclassification	421	8,594	62,291	(74,016)	(2,710)
Foreign currency translation adjustments	(547)	(2,812)	(10,790)	(2,440)	(16,589)
Others	(85)	(556)	(1,201)	345	(1,497)
Balance at March 31, 2025	72,403	389,725	1,256,412	143,006	1,861,546

(Accumulated depreciation and impairment losses)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2023	(1,687)	(163,540)	(596,168)	(2,611)	(764,006)
Depreciation	-	(12,441)	(84,678)	1	(97,118)
Impairment losses	-	(229)	(31,508)	(4,374)	(36,111)
Reversal of impairment losses	-	31	889	-	920
Disposals	-	7,410	37,510	-	44,920
Reclassification	-	22	477	-	499
Foreign currency translation adjustments	-	(12,169)	(62,075)	(849)	(75,093)
Changes in the scope of consolidation	-	4	-	-	4
Others	-	245	(912)	-	(667)
Balance at March 31, 2024	(1,687)	(180,667)	(736,465)	(7,833)	(926,652)
Depreciation	-	(12,733)	(88,098)	(1)	(100,832)
Impairment losses	(413)	(358)	(1,028)	95	(1,704)
Reversal of impairment losses	-	31	1,381	71	1,483
Disposals	-	2,495	26,463	1,256	30,214
Reclassification	443	340	(2,744)	3,768	1,807
Foreign currency translation adjustments	-	568	6,334	(112)	6,790
Changes in the scope of consolidation	-	-	(3,251)	-	(3,251)
Others	-	(336)	4,256	(88)	3,832
Balance at March 31, 2025	(1,657)	(190,660)	(793,152)	(2,844)	(988,313)

(Carrying amounts)

(Yen in millions)

	Land	Buildings	Machinery and equipment	Construction in progress	Total
Balance at April 1, 2023	76,746	181,138	429,780	96,117	783,781
Balance at March 31, 2024	70,541	196,156	455,744	95,345	817,786
Balance at March 31, 2025	70,746	199,065	463,260	140,162	873,233

(Note) "Construction in progress" includes the amount of expenditures related to property, plant and equipment in the course of its construction.

Depreciation of property, plant and equipment is included in "cost of sales", "selling, general and administrative expenses" and "research and development expenses" in the consolidated statements of income. Impairment loss of property, plant and equipment is included in "selling, general and administrative expenses" in the consolidated statements of income.

At NIDEC, the recoverable amount of the impairment test on property, plant and equipment, etc. reflects past experience and external information and is calculated using a value in use. The value in use is a discounted cash flow model. It is based on a management approved budget (including sales forecasts and cost forecasts) for remaining useful life. The discount rate used in property, plant and equipment, etc. impairment test is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit.

In the fiscal year, we conducted test of recoverability of property, plant and equipment, etc. (book value: 14,564 million yen) in the cash generation unit of the EV traction motor business. The discount rate used in the impairment test for this cash generation unit is 8.31%. NIDEC has recorded an impairment losses of 35,608 million yen based on the recoverable amount, as it shifted its strategy to prioritize profitability of Battery EV related business. The management approved budget of the EV traction motor business is reflected to the slowdown of the Battery EV market expansion and fierce price competition, etc. as external factors.

Even if key assumptions used in the impairment test change to a reasonably foreseeable extent, NIDEC believes that the occurrence of significant impairment losses is low.

15. Goodwill and intangible assets

The breakdown of "goodwill" and "intangible assets" in the consolidated statements of financial position is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Goodwill	394,540	407,067
Intangible assets	250,262	280,220
Right-of-use asset	45	8
Total	644,847	687,295

For changes in the right-of-use assets, refer to "38. Leases".

Changes in acquisition costs, accumulated amortization and impairment losses and carrying amounts of goodwill and intangible assets are as follows:

(Acquisition costs)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2023	362,388	136,841	21,748	45,464	57,704	81,596	705,741
Acquisitions	-	-	-	5,395	-	45	5,440
Internally developed	-	-	-	-	10,763	-	10,763
Acquisitions through business combinations	1,772	809	-	326	-	801	3,708
Disposals	-	(992)	(32)	(1,335)	(33)	(246)	(2,638)
Foreign currency translation adjustment	29,211	15,918	3,401	2,965	4,443	8,971	64,909
Others	1,169	848	-	(214)	1,500	493	3,796
Balance at March 31, 2024	394,540	153,424	25,117	52,601	74,377	91,660	791,719
Acquisitions	-	-	69	5,334	-	588	5,991
Internally developed	-	-	-	-	21,886	-	21,886
Acquisitions through business combinations	12,233	8,179	-	-	16,113	575	37,100
Disposals	(110)	-	-	(2,466)	(218)	(162)	(2,956)
Foreign currency translation adjustment	421	(2,268)	(232)	(833)	(2,715)	(904)	(6,531)
Others	(17)	95	-	(122)	5,680	140	5,776
Balance at March 31, 2025	407,067	159,430	24,954	54,514	115,123	91,897	852,985

(Accumulated amortization and impairment losses)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others	Total
Balance at April 1, 2023	-	(53,259)	(10,572)	(27,244)	(22,091)	(6,898)	(120,064)
Amortization	-	(6,704)	(1,488)	(4,822)	(4,433)	(446)	(17,893)
Impairment losses	-	-	-	(22)	112	-	90
Disposals	-	663	19	1,302	27	245	2,256
Foreign currency translation adjustment	-	(7,124)	(1,679)	(1,888)	(1,709)	474	(11,926)
Others	-	1	-	200	310	109	620
Balance at March 31, 2024	-	(66,423)	(13,720)	(32,474)	(27,784)	(6,516)	(146,917)
Amortization	-	(8,076)	(1,474)	(4,880)	(6,172)	(644)	(21,246)
Impairment losses	-	-	-	-	(1,746)	-	(1,746)
Disposals	-	-	-	2,363	22	156	2,541
Foreign currency translation adjustment	-	1,059	146	964	312	105	2,586
Others	-	8	-	(57)	(751)	(116)	(916)
Balance at March 31, 2025	-	(73,432)	(15,048)	(34,084)	(36,119)	(7,015)	(165,698)

(Carrying amounts)

(Yen in millions)

	Goodwill	Customer relationships	Proprietary technology	Software	Capitalized development costs	Others*1	Total
Balance at April 1, 2023	362,388	83,582	11,176	18,220	35,613	74,698	585,677
Balance at March 31, 2024	394,540	87,001	11,397	20,127	46,593	85,144	644,802
Balance at March 31, 2025	407,067	85,998	9,906	20,430	79,004	84,882	687,287

(Note) Others are mainly trademarks.

Amortization of intangible assets is included in "costs of sales", "selling, general and administrative expenses" and "research and development costs" of consolidated statements of income. Impairment loss of intangible assets is included in "selling, general and administrative expenses" of consolidated statements of income.

Goodwill that arises from a business combination is allocated to cash-generating unit groups which are expected to receive a benefit from the synergies of the business combination. The carrying amount of goodwill and intangible assets with indefinite useful lives allocated to the unit are as follows:

(Goodwill)

(Yen in millions)

Reporting Segment	CGU group	March 31, 2024	March 31, 2025
SPMS	SPMS	19,966	19,488
AMEC	AMEC organic	22,356	22,192
MOEN	MOEN	114,328	119,660
ACIM	ACIM	107,023	112,015
Nidec Machinery and Automation	Nidec Machinery and Automation	21,785	24,955
Group Company Business	Nidec Instruments	31,115	30,923
Group Company Business	Nidec Techno Motor	2,049	2,049
Group Company Business	Nidec Mobility	37,902	37,902
Group Company Business	Nidec Advance Technology	2,003	1,980
Group Company Business	Nidec Precision	16,520	16,410
Group Company Business	Other	19,493	19,493
Total		394,540	407,067

(Note) NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

(Intangible assets with indefinite useful lives)

(Yen in millions)

Reporting Segment	CGU group	March 31, 2024	March 31, 2025
AMEC	AMEC organic	3,855	3,827
MOEN	MOEN	22,134	21,841
ACIM	ACIM	49,234	48,581
Nidec Machinery and Automation	Nidec Machinery and Automation	7,205	7,134
Group Company Business	Other	5	5
Total		82,433	81,388

(Note) NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. For details, please refer to “V.Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5. Segment information”.

Intangible assets with indefinite useful lives are mainly trademarks. Those trademarks were acquired through the business combination. NIDEC regards them as intangible assets with indefinite useful lives because those trademarks continue as long as business lasts.

NIDEC performs the impairment test of goodwill, intangible assets with indefinite useful lives and an intangible asset not yet available for use at least once year or whenever there is an indication of impairment.

The recoverable amount of the impairment test reflects past experience and external information and is calculated using a value in use. The value in use is a discounted cash flow model. It is based on a management approved budget (including sales forecast and cost forecast) for five years. The discount rate used in goodwill impairment test is calculated on the basis of weighted average cost of capital before income tax of each group of cash-generating unit (5.91% - 10.48%), and the growth rate in the terminal value is determined based on the long term average growth rate of industries or countries to which each group of cash-generating unit belongs (2.77% - 3.99%).

In the fiscal year, we conducted test of recoverability of goodwill (book value: 22,192 million yen) in the cash generation unit group of the AMEC organic business. The discount rate used in the impairment test for this cash generation unit is 7.48%. The management approved budget of the AMEC organic business is reflected to experience a downturn in the European market, etc. as external factors.

Even if key assumptions used in the impairment test change to a reasonably foreseeable extent, NIDEC believes that the occurrence of significant impairment losses is low.

16. Other investments

The breakdown of other investments is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Other investments		
FVTOCI equity financial assets	31,355	31,300
FVTOCI debt financial assets	93	38
Financial assets measured at amortized costs	5,000	5,000
Total	36,448	36,338

Of the financial instruments measured at fair value held by NIDEC, equity instruments held with the principal objective of maintaining and strengthening business relations with the issuers are classified as FVTOCI equity financial assets. These FVTOCI equity financial assets consist mainly of ordinary shares. The FVTOCI equity financial assets and fair values of these assets are as follows:

As of March 31, 2024

(Yen in millions)

Principal FVTOCI financial assets	Fair value
Canon Inc.	3,389
Brother Industries, Ltd.	3,161
The Bank of Kyoto, Ltd.	2,967
SCREEN Holdings Co., Ltd.	2,541
ROHM Co., Ltd.	2,221

As of March 31, 2025

(Yen in millions)

Principal FVTOCI financial assets	Fair value
Canon Inc.	3,498
Brother Industries, Ltd.	3,018
Mitsubishi UFJ Financial Group, Inc.	2,557
Eve Holding, Inc	2,482
The Bank of Kyoto, Ltd.	2,445

The information on FVTOCI equity financial assets that were derecognized for the years ended March 31, 2024 and 2025 is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Fair value at the time of derecognition	512	165
Accumulated gains at the time of derecognition	196	102

17. Other non-current assets

The breakdown of other non-current assets is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Prepaid pension costs	4,956	4,674
Incremental costs of obtaining a contract with a customer	2,489	2,196
Long-term prepaid expenses	11,420	9,651
Deposit	11	669
Other	1,023	1,279
Total	19,899	18,469

18. Trade and other payables

The breakdown of trade and other payables is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Notes payable	22,384	13,637
Trade payable	385,558	417,510
Electronically recorded monetary obligations	13,332	7,407
Other payables	106,312	137,992
Equipment notes payable	366	47
Total	527,952	576,593

NIDEC has entered into supplier finance agreements with third-party financial institutions. Under these agreements, NIDEC makes payments to the third-party financial institutions for trade payables to each supplier on dates set within a range of 69 to 365 days after receiving invoices. Comparable trade payables not subject to supplier finance agreements are typically paid within 15 to 365 days after receiving invoices. Suppliers, at their discretion, can receive early payments from the third-party financial institutions under discounted terms. NIDEC does not provide collateral assets or third-party guarantees in connection with the supplier finance agreements.

The ending balances of financial liabilities related to the supplier finance agreements for the previous consolidated fiscal year and the current consolidated fiscal year were ¥79,221 million and ¥89,496 million, respectively. Of this balance, the amount already paid to suppliers during the current consolidated fiscal year was ¥76,411 million, which is included in trade payables and other liabilities in the consolidated statement of financial position.

NIDEC has opted for the transitional provisions in applying the "Supplier Finance Arrangements" (Amendments to IAS 7 and IFRS 7). Therefore, information as of the beginning of the initial year of application is not disclosed.

During the current consolidated fiscal year, there have been no significant non-cash changes in financial liabilities under supplier finance agreements.

The supplier finance agreements entered into by NIDEC are primarily intended to improve the efficiency of payment operations and enable earlier payments to suppliers compared to the normal payment terms. As a result, the NIDEC Group does not face significant liquidity risks associated with supplier finance agreements.

19. Other financial liabilities

The breakdown of other financial liabilities is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Derivatives liabilities	40	1,387
Deposits received	13,961	3,393
Total	14,001	4,780

20. Other current liabilities

The breakdown of other current liabilities is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Accrued expenses	65,964	82,647
Contract liabilities	45,397	45,470
Other	9,306	10,646
Total	120,667	138,763

21. Short term borrowings and long term debt

(1) Short term borrowings

The breakdown of short term borrowings is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Unsecured loans, principally from banks average interest per annum: 2024 0.18% 2025 1.05%	42,951	93,710
Secured loans, principally from banks average interest per annum: 2024 4.98%	3	-
Total	42,954	93,710

As of March 31, 2025, NIDEC had unused lines of credit amounting to ¥1,307,059 million with banks. Under these programs, NIDEC is authorized to obtain short-term financing at prevailing interest rates.

(2) Long term debt

The breakdown of long term debt is as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Unsecured loans, principally from banks		
Due 2024 to 2036 in 2024 with interest ranging from 0.00% to 3.15% per annum	147,847	-
Due 2025 to 2036 in 2025 with interest ranging from 0.00% to 9.75% per annum	-	263,953
Secured loans, principally from banks		
Due 2024 to 2027 in 2024 with interest ranging from 2.02% to 4.20% per annum	1,146	-
The Eighth Series of Domestic Unsecured bonds due 2024 Interest at 0.10% per annum in 2024 and 2025	99,987	-
The Tenth Series of Domestic Unsecured bonds (Green Bond) due 2024 Interest at 0.09% per annum in 2024 and 2025	29,992	-
The Eleventh Series of Domestic Unsecured bonds (Green Bond) due 2026 Interest at 0.15% per annum in 2024 and 2025	19,979	19,987
The Thirteenth Series of Domestic Unsecured bonds due 2025 Interest at 0.25% per annum in 2024 and 2025	29,980	29,996
The Fourteenth Series of Domestic Unsecured bonds due 2032 Interest at 0.55% per annum in 2024 and 2025	19,951	19,957
The Fifteenth Series of Domestic Unsecured bonds due 2025 Interest at 0.25% per annum in 2024 and 2025	19,981	19,992
The Sixteenth Series of Domestic Unsecured bonds due 2027 Interest at 0.44% per annum in 2024 and 2025	49,929	49,948
Euro-Denominated Senior Unsecured bonds (Green Bond) due 2026 Interest at 0.05% per annum in 2024 and 2025	81,534	80,997
Lease liabilities		
Due 2024 to 2069 in 2024, with interest ranging from (0.30%) to 55.95% per annum	57,619	-
Due 2025 to 2065 in 2025, with interest ranging from (0.00%) to 55.95% per annum	-	57,506
Subtotal	557,945	542,336
Less - Bonds due within one year	(129,979)	(130,986)
Less - Long term debt due within one year	(1,708)	(21,670)
Less - lease liabilities due within one year	(11,441)	(11,193)
Total	414,817	378,487

(3) The aggregate amounts of annual maturity of long term debt

The aggregate amounts of annual maturity of long term debt are as follows:

(Yen in millions)

Term	March 31, 2024	March 31, 2025
Within one year	143,149	163,903
Over one year within two years	162,359	71,159
Over two years within three years	58,026	82,190
Over three years within four years	55,090	69,130
Over four years within five years	44,047	48,155
Over five years	95,561	107,962

(Note) Amounts are based on contractual cash flows.

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks' request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future indebtedness to such banks.

(4) Assets pledged as security

Assets pledged as security are as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Property, plant and equipment, net	3,612	-
Total	3,612	-

(5) Debts attributable to collateral pledged assets

Debts attributable to collateral pledged assets are as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Short term borrowings	3	-
Long term debt due within one year	696	-
Long term borrowings	453	-
Total	1,152	-

22. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

(Yen in millions)

	Short term borrowings	Long term borrowings due within one year	Corporate Bonds due within one year	Long term borrowings	Corporate Bonds	Lease obligations and others
Balance at April 1, 2023	159,279	71	49,996	102,516	342,417	51,069
Cash flows from financing activities	(118,576)	(1,487)	(50,000)	41,647	-	(10,857)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	912	2,892	-	2,858	-	851
Effect of exchange rate changes	1,339	24	-	473	8,760	4,885
Transfer from long term to short term	-	210	129,928	(210)	(129,928)	-
New lease	-	-	-	-	-	12,505
Others	-	(2)	55	2	104	(834)
Balance at March 31, 2024	42,954	1,708	129,979	147,286	221,353	57,619
Cash flows from financing activities	50,867	(1,478)	(130,000)	70,643	-	(12,575)
Changes arising from acquisition or exclusion of subsidiaries and other businesses	-	-	-	46,542	-	3,109
Effect of exchange rate changes	(111)	(37)	(579)	(712)	-	(571)
Transfer from long term to short term	-	21,480	131,495	(21,480)	(131,495)	-
New lease	-	-	-	-	-	10,910
Others	-	(3)	91	3	33	(986)
Balance at March 31, 2025	93,710	21,670	130,986	242,282	89,891	57,506

23. Employee benefits

(1) Retirement benefits

1) Defined benefit plan

The Company and certain subsidiaries' pension and retirement benefit plans usually entitle employees lump-sum indemnities or pension payments based on current rates of pay and length of service at the time of termination or the number of "points".

Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement.

Employees receive additional benefits upon involuntary retirement, including retirement at the mandatory retirement age. The defined benefit plan is subjected to the actuarial risks of changes in cost, interest rate and life expectancy.

The breakdown of retirement benefit plan recognized in the consolidated statements of financial position is as follows:

As of March 31, 2024

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	22,153	51,621	73,774
Fair value of plan assets	18,127	26,259	44,386
Funded status	4,026	25,362	29,388
Net defined benefit liability (asset)	4,026	25,362	29,388
Amounts in the consolidated statements of financial position:	4,026	25,362	29,388
Other non-current assets	(3,829)	(1,127)	(4,956)
Retirement benefit liabilities	7,855	26,489	34,344

As of March 31, 2025

(Yen in millions)

	Pension and lump-sum payment plans		
	Japanese plan	Non-Japanese plan	Total
Present value of defined benefit obligations	18,786	50,287	69,073
Fair value of plan assets	15,971	25,271	41,242
Funded status	2,815	25,016	27,831
Net defined benefit liability (asset)	2,815	25,016	27,831
Amounts in the consolidated statements of financial position:	2,815	25,016	27,831
Other non-current assets	(3,371)	(1,303)	(4,674)
Retirement benefit liabilities	6,186	26,319	32,505

The breakdown of retirement benefit expenses of defined benefit plans recognized in the consolidated statements of income is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Current service cost	3,432	2,396
Past service cost and gains or losses arising from settlements	(1,226)	(39)
Interest cost (net)	1,755	1,034
Total retirement benefit expenses	3,961	3,391

Changes in the present value of defined benefit obligations are as follows:

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2023	24,666	45,682	70,348
The amount recognized in net profit or loss			
Current service cost	719	2,713	3,432
Past service cost and gains or losses arising from settlements	(302)	(924)	(1,226)
Interest cost	288	2,822	3,110
Total	705	4,611	5,316
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	55	(35)	20
-actuarial gains or losses arising from changes in financial assumptions	(347)	(15)	(362)
-actuarial gains or losses arising from experience adjustments	967	2,596	3,563
Total	675	2,546	3,221
Others			
Benefits paid	(4,577)	(3,378)	(7,955)
Effects of business combinations	684	-	684
Foreign currency translation adjustments	-	2,160	2,160
Total	(3,893)	(1,218)	(5,111)
Balance at March 31, 2024	22,153	51,621	73,774
The amount recognized in net profit or loss			
Current service cost	393	2,003	2,396
Past service cost and gains or losses arising from settlements	2	(41)	(39)
Interest cost	285	2,195	2,480
Total	680	4,157	4,837
The amount recognized in other comprehensive income			
Remeasurements			
-actuarial gains or losses arising from changes in demographic assumptions	(4)	30	26
-actuarial gains or losses arising from changes in financial assumptions	(700)	(1,447)	(2,147)
-actuarial gains or losses arising from experience adjustments	(146)	(1,683)	(1,829)
Total	(850)	(3,100)	(3,950)
Others			
Benefits paid	(3,087)	(3,450)	(6,537)
Effects of business combinations	-	140	140
Decrease due to sales of the business	(110)	-	(110)
Foreign currency translation adjustments	-	919	919
Total	(3,197)	(2,391)	(5,588)
Balance at March 31, 2025	18,786	50,287	69,073

Changes in the fair value of plan assets are as follows:

(Yen in millions)

	Japanese plan	Non-Japanese plan	Total
Balance at April 1, 2023	18,087	23,526	41,613
The amount recognized in net profit or loss			
Interest income	270	1,086	1,356
Total	270	1,086	1,356
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	2,165	(354)	1,811
Total	2,165	(354)	1,811
Others			
Employer's contributions	204	1,390	1,594
Benefits paid	(2,647)	(2,351)	(4,998)
Trust dividend	48	-	48
Foreign currency translation adjustments	-	2,962	2,962
Total	(2,395)	2,001	(394)
Balance at March 31, 2024	18,127	26,259	44,386
The amount recognized in net profit or loss			
Interest income	313	1,133	1,446
Total	313	1,133	1,446
The amount recognized in other comprehensive income			
Remeasurements			
- Return on plan assets	(1,025)	(162)	(1,187)
Total	(1,025)	(162)	(1,187)
Others			
Employer's contributions	145	1,347	1,492
Benefits paid	(1,788)	(2,550)	(4,338)
Trust dividend	199	-	199
Foreign currency translation adjustments	-	(756)	(756)
Total	(1,444)	(1,959)	(3,403)
Balance at March 31, 2025	15,971	25,271	41,242

NIDEC expects to contribute approximately ¥1,246 million to its defined benefit plans in the fiscal year ending March 31, 2026.

The fair values of plan assets (Japanese plan) by asset category are as follows:

(Yen in millions)

	Japanese plan			
	With a quoted market price in an active market		Without a quoted market price in an active market	
	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025
Equity instruments:				
Domestic equities	1,383	318	-	-
Overseas equities	1,346	1,063	-	-
Debt instruments:				
Pooled funds *1	-	-	3,130	3,795
Other assets:				
Cash and cash equivalents	1,606	1,138	-	-
General accounts of insurance companies	-	-	7,707	7,076
Pooled funds *2	-	-	2,901	2,076
Others	54	505	-	-
Total	4,389	3,024	13,738	12,947

(Notes) *1. As of March 31, 2024, Japanese pooled funds categorized as debt instruments were invested approximately 75% in Japanese bonds and 25% in foreign bonds. As of March 31, 2025, they were invested approximately 75% in Japanese bonds and 25% in foreign bonds.

*2. As of March 31, 2024, Japanese pooled funds categorized as other assets were invested approximately 9% in Japanese stocks, 50% in foreign stocks, 19% in Japanese bonds and 5% in foreign bonds. As of March 31, 2025, they were invested approximately 10% in Japanese stocks, 52% in foreign stocks, 16% in Japanese bonds and 4% in foreign bonds.

The fair values of plan assets (non-Japanese plan) by asset category are as follows:

(Yen in millions)

	Non-Japanese plan			
	With a quoted market price in an active market		Without a quoted market price in an active market	
	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025
Equity instruments:				
Domestic equities	-	-	-	-
Overseas equities	321	357	-	-
Debt instruments:				
Pooled funds *1	-	-	5	5
Other assets:				
Cash and cash equivalents	2,387	2,450	-	-
General accounts of insurance companies	-	-	5,652	5,561
Pooled funds *2	-	-	14,678	13,988
Others	1	9	3,215	2,901
Total	2,709	2,816	23,550	22,455

(Notes) *1. All non-Japanese pooled funds categorized as debt instruments were invested in foreign bonds.

*2. As of March 31, 2024, non-Japanese pooled funds categorized as other assets were invested approximately 59% in foreign stocks and 8% in foreign bonds. As of March 31, 2025, they were invested approximately 57% in foreign stocks and 8% in foreign bonds.

NIDEC's policy and objective for plan asset management is to generate, under the acceptable risk exposed to NIDEC, a stable return on the investment over the long term, which enables NIDEC's pension funds to meet future benefit payment requirements. NIDEC formulates a "basic" portfolio that best suits the above-mentioned policy. NIDEC evaluates its actual return and revises the "basic" portfolio, if necessary.

NIDEC's portfolio for plans consists of three major components: approximately 4% is invested in equity instruments, approximately 9% is invested in debt instruments, and approximately 87% is invested in other investment vehicles, primarily consisting of investments in pooled funds and life insurance companies' general accounts.

The equity instruments are selected from shares that are listed on the securities exchanges. The debt instruments are selected from Japanese and foreign government bonds, public debt instruments, and corporate bonds. Pooled funds included in other assets invest in equity and debt instruments selected from the same portfolios as the two instruments mentioned above. As for investments in life insurance companies' general accounts, the contracts with the insurance companies include a guaranteed interest rate and return of capital.

The weighted-average actuarial assumptions used to estimate the benefit obligations are set forth as follows:

	Japanese plan		Non-Japanese plan	
	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025
Discount rate	1.4 %	1.8 %	5.0 %	5.2 %
Rate of increase in future compensation levels	0.0 %	0.0 %	3.4 %	3.6 %

When calculating the sensitivity of the defined benefit obligations to significant assumptions the same method has been applied as when calculating the retirement benefit liabilities recognized in the consolidated statements of financial position. It is all actuarial assumptions other than actuarial assumptions to be analyzed are constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous fiscal year.

The impacts on the defined benefit obligation as a result of change in major actuarial assumptions are summarized as follows: NIDEC does not expect any significant changes in the anticipated rate of increase in future compensation levels.

(Yen in millions)

	March 31, 2024	March 31, 2025
Discount rate		
0.5% increase	(2,942)	(2,661)
0.5% decrease	3,039	2,834

The weighted-average duration of the defined benefit obligation is as follows:

	March 31, 2024	March 31, 2025
Japanese plan	8.6 years	7.8 years
Non-Japanese plan	9.2 years	9.9 years

2) Defined contribution pension plan

Total amounts of cost recognized for the contribution to the plans were ¥6,972 million and ¥7,791 million for the years ended March 31, 2024 and 2025, respectively. NIDEC expects to contribute approximately ¥7,868 million for the year ending March 31, 2026.

24. Other components of equity and other comprehensive income

The changes in other components of equity (net of tax) are as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Fair value movements on FVTOCI debt financial assets		
Balance at beginning of year	(47)	(437)
Changes during year	(390)	(51)
Balance at end of year	(437)	(488)
Fair value movements on FVTOCI equity financial assets		
Balance at beginning of year	-	-
Changes during year	6,171	(2,210)
Transfer to retained earnings	(6,171)	2,210
Balance at end of year	-	-
Foreign currency translation adjustments		
Balance at beginning of year	205,220	399,188
Changes during year	193,968	(21,262)
Balance at end of year	399,188	377,926
Effective portion of net changes in fair value of cash flow hedges		
Balance at beginning of year	1,664	2,120
Changes during year	456	(3,307)
Balance at end of year	2,120	(1,187)
Remeasurement of defined benefit plans		
Balance at beginning of year	-	-
Changes during year	1,052	1,889
Transfer to retained earnings	(1,052)	(1,889)
Balance at end of year	-	-
Other components of equity		
Balance at beginning of year	206,837	400,871
Changes during year	201,257	(24,942)
Transfer to retained earnings	(7,223)	322
Balance at end of year	400,871	376,251

The amounts of other comprehensive income including non-controlling interests, reclassification adjustment and tax effect accounting are as follows:

(Yen in millions)

	For the years ended March 31,					
	2024			2025		
	Before tax effect	Tax effect accounting	After tax effect	Before tax effect	Tax effect accounting	After tax effect
Fair value movements on FVTOCI debt financial assets						
Amounts	(516)	126	(390)	(66)	16	(50)
Reclassification adjustment	-	-	-	(1)	—	(1)
Changes during year	(516)	126	(390)	(67)	16	(51)
Fair value movements on FVTOCI equity financial assets						
Amounts	8,950	(2,779)	6,171	(3,001)	791	(2,210)
Changes during year	8,950	(2,779)	6,171	(3,001)	791	(2,210)
Foreign currency translation adjustments						
Amounts	(1,293)	-	(1,293)	25,164	-	25,164
Reclassification adjustment	196,731	-	196,731	(47,573)	-	(47,573)
Changes during year	195,438	-	195,438	(22,409)	-	(22,409)
Effective portion of net changes in fair value of cash flow hedges						
Amounts	3,761	(921)	2,840	(3,213)	789	(2,424)
Reclassification adjustment	(3,162)	778	(2,384)	(1,179)	296	(883)
Changes during year	599	(143)	456	(4,392)	1,085	(3,307)
Remeasurement of defined benefit plans						
Amounts	1,410	(424)	986	2,763	(871)	1,892
Changes during year	1,410	(424)	986	2,763	(871)	1,892
Other comprehensive income	205,881	(3,220)	202,661	(27,106)	1,021	(26,085)

25. Income taxes

(1) Income tax expenses

The breakdown of income tax expenses recognized in profit or loss is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Current income taxes	(84,239)	(58,025)
Deferred income taxes		
Origination and reversal of temporary differences	7,965	(14,065)
Changes in tax rates	—	(347)
Total	7,965	(14,412)
Total income tax expenses	(76,274)	(72,437)

The corporate income tax for the current fiscal year includes tax expenses related to the Pillar Two corporate income tax, amounting to ¥254 million for the fiscal year ended March 31, 2025.

(2) Reconciliation of effective statutory tax rate and actual tax rate

NIDEC is subject to several taxes and an effective statutory income tax rate in Japan for the fiscal year ended March 31, 2025 was approximately 30.5%. Differences between the effective statutory income tax rate in Japan and effective tax rate in income tax expense on consolidated statements of income are as follows:

	For the years ended March 31,	
	2024	2025
Effective statutory income tax rate in Japan	30.5%	30.5%
Increase (decrease) in tax rate resulting from:		
Difference in tax rate applied to foreign subsidiaries	(7.9)%	(7.0)%
Tax effect on undistributed earnings	2.4%	5.8%
Assessment of the realizability of deferred tax assets	4.6%	2.1%
Tax credit for experimental research costs and other	(1.5)%	(0.8)%
Foreign tax credits	(0.7)%	(0.6)%
Permanent non-deductible items	1.5%	0.7%
Dividend withholding tax	5.6%	0.7%
Others	3.3%	(0.4)%
Effective tax rate in income tax expenses on the consolidated statements of income	37.8%	31.0%

The "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted by the National Diet on March 31, 2025, and the "Special Defense Corporation Tax" will be imposed starting from the consolidated fiscal year beginning on or after April 1, 2026. As a result, deferred tax assets and deferred tax liabilities related to temporary differences and other items expected to be resolved in the consolidated fiscal years beginning on or after April 1, 2026, have been calculated by adjusting the domestic statutory effective tax rate from 30.5% to 31.4%. Furthermore, the impact of this tax rate change is minimal.

(3) Components of and changes in deferred tax assets and liabilities

The main reasons and changes in deferred tax assets and liabilities are as follows:

For the year ended March 31, 2024

(Yen in millions)

	As of April 1, 2023	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2024
Deferred tax assets:					
Inventories	9,571	3,128	-	323	13,022
Property, plant and equipment	(13,460)	5,557	-	(30)	(7,933)
Provision for bonuses	2,909	190	-	32	3,131
Accrued enterprise tax	707	281	-	6	994
Retirement benefit liabilities	5,267	(297)	(424)	206	4,752
Tax loss carryforwards	4,729	1,470	-	200	6,399
Provision for paid leave	1,572	173	-	10	1,755
Accrued expense	6,303	(1,557)	-	3	4,749
Lease liabilities	8,543	(2,628)	-	-	5,915
Others	2,623	1,770	-	(709)	3,684
Total	28,764	8,087	(424)	41	36,468
Deferred tax liabilities					
FVTOCI financial assets	(5,346)	(249)	(2,779)	58	(8,316)
Basis difference of acquired assets	(839)	(17)	-	-	(856)
Undistributed earnings	(23,734)	(6,168)	-	-	(29,902)
Intangible assets	(43,273)	(6,188)	-	(39)	(49,500)
Right-of-use assets	(8,512)	3,503	-	-	(5,009)
Others	(4,578)	(176)	(17)	111	(4,660)
Total	(86,282)	(9,295)	(2,796)	130	(98,243)
Net	(57,518)	(1,208)	(3,220)	171	(61,775)

The differences between the total amount recognized through net profit or loss, and total deferred tax expense are due to currency fluctuations. Others mainly consist of business combinations.

For the year ended March 31, 2025

(Yen in millions)

	As of April 1, 2024	Recognized in net profit or loss	Recognized in other comprehensive income	Others	As of March 31, 2025
Deferred tax assets:					
Inventories	13,022	1,219	-	-	14,241
Property, plant and equipment	(7,933)	(525)	-	-	(8,458)
Provision for bonuses	3,131	(2,356)	-	-	775
Accrued enterprise tax	994	(675)	-	-	319
Retirement benefit liabilities	4,752	1,379	(871)	-	5,260
Tax loss carryforwards	6,399	(3,193)	-	-	3,206
Provision for paid leave	1,755	(132)	-	-	1,623
Accrued expense	4,749	2,127	-	-	6,876
Lease liabilities	5,915	(2,133)	-	-	3,782
Others	3,684	(2,191)	-	1,037	2,530
Total	36,468	(6,480)	(871)	1,037	30,154
Deferred tax liabilities:					
FVTOCI financial assets	(8,316)	-	791	257	(7,268)
Basis difference of acquired assets	(856)	-	-	2	(854)
Undistributed earnings	(29,902)	(12,840)	-	-	(42,742)
Intangible assets	(49,500)	11,829	-	-	(37,671)
Right-of-use assets	(5,009)	1,708	-	-	(3,301)
Others	(4,660)	(8,629)	1,101	3,430	(8,758)
Total	(98,243)	(7,932)	1,892	3,689	(100,594)
Net	(61,775)	(14,412)	1,021	4,726	(70,440)

Others mainly consist of business combinations or foreign currency translation adjustments.

In the recognition of a deferred tax asset, NIDEC considers the possibility that future deductible temporary differences and all or a part of tax loss carryforwards will be available against future taxable profit. In assessing the recoverability of deferred tax assets, the planned reversal of future deferred tax liabilities, foreseeable future taxable profit and tax planning will be considered.

Regarding the recognized deferred tax asset, NIDEC determines that it is more likely to realize tax benefit based on the forecast of future taxable profit in the period when the previous taxable standard and deferred tax assets are recognized. However, the amount of realizable deferred tax assets will decrease providing the expectation of generating future taxable profit in the deductible period decreases as well. In assessing the recoverability of deferred tax assets for the years ended March 31, 2024 and 2025 the deferred tax assets decreased by ¥65,042 million and ¥59,416 million, respectively.

(4) Deferred tax assets and liabilities on consolidated statements of financial position

Deferred tax assets and liabilities on the consolidated statements of financial position are as follow:

(Yen in millions)

	March 31, 2024	March 31, 2025
Deferred tax assets	16,464	16,530
Deferred tax liabilities	(78,239)	(86,970)
Net	(61,775)	(70,440)

(5) Future deductible temporary differences etc. for unrecognized deferred tax assets

Future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Future deductible temporary differences	170,813	143,272
Tax loss carryforwards	133,044	144,021
Total	303,857	287,293

NIDEC does not recognize the deferred tax assets for some of the tax loss carryforwards and future deductible temporary differences. They are related to tax loss carryforwards mainly arising in domestic subsidiaries. To assess the recoverability of these deferred tax assets, NIDEC analyses the applicable subsidiaries individually and decreases a portion that it is less likely to realize tax benefit. As it is less likely to realize future taxable profit, future deductible temporary differences and tax loss carryforwards for unrecognized deferred tax assets were ¥303,857 million and ¥287,293 million in the years ended March 31, 2024 and 2025, respectively. There is no expiration date for future deductible temporary differences under the current taxation system.

(6) The expiration date of tax loss carryforwards for unrecognized deferred tax assets

The expiration date of tax loss carryforwards for unrecognized deferred tax assets are as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Year 1	1,348	4,429
Year 2	4,944	5,055
Year 3	5,677	10,695
Year 4	10,560	9,492
Year 5 or later	17,804	16,960
No expiration	92,711	97,390
Total	133,044	144,021

(7) Future taxable temporary differences for unrecognized deferred tax liabilities

At the March 31, 2024 and 2025, NIDEC did not recognize the deferred tax liabilities regarding future taxable temporary differences related to the investment in some subsidiaries, etc. NIDEC can control the timing of reversal of temporary differences and ensure that these differences are not reversed in foreseeable period. At the March 31, 2024 and 2025, future taxable temporary differences related to the investment in subsidiaries, etc. for unrecognized deferred tax liabilities were ¥1,071,278 million and ¥824,387 million, respectively.

26. Provisions

Changes in the balance and breakdown of provisions are as follows:

(Yen in millions)

	Provision for product warranties	Others	Total
Balance at April 1, 2024	12,466	53,053	65,519
Increase during the year	10,770	44,701	55,471
Acquisitions through business combinations	240	223	463
Decrease due to intended use	(10,008)	(42,523)	(52,531)
Reversal during the year	(1,381)	(10,733)	(12,114)
Foreign currency translation and other	378	(6,719)	(6,341)
Balance at March 31, 2025	12,465	38,002	50,467

(Yen in millions)

	March 31, 2024	March 31, 2025
Current liabilities	63,457	48,701
Non-current liabilities	2,062	1,766
Total	65,519	50,467

Provision for product warranties

NIDEC provides warranties for specific products and services for a certain period. A provision for product warranties is calculated mainly based on historical claims levels. The majority of the warranty costs is estimated to be incurred in the subsequent year.

Provisions for others

Provisions for others consist of mainly provision for paid leave. The majority of these costs is estimated to be incurred in the subsequent year.

27. Share-Based Payment (Performance-Linked Share-Based Compensation Plan)

NIDEC has adopted a performance-linked share-based compensation plan from the fiscal year ended March 31, 2019, for the purpose of clarifying the link between the compensation of the group executives and the stock value of our company, in order to develop motivations for achieving performance targets in the mid-term strategic goal, and increasing long-term corporate value.

NIDEC has adopted the structure of the BIP Trust and the ESOP Trust as equity-settled share-based payments to the group executives. In addition, NIDEC has adopted the structure of providing in cash with the amount determined based on stock price of the company as cash-settled share-based payments to some group executives in overseas resident.

Continuous service during three consecutive fiscal years targeted by the Plan is the vesting conditions. The rights will be determined as of the end of each fiscal year based on the achievements of performance targets.

The expenses for the equity-settled share-based payment recognized for the years ended March 31, 2024 and 2025 were ¥(21) million and ¥(50) million, respectively.

The fair value at the grant date and the changes in the number of points are as follows. The share price on the grant date was used to calculate the fair value, and no adjustments of expected dividends or others have been made because the fair value of the grant date was determined to be close to the share price of our company stock on the grant date.

NIDEC implemented a two-for-one stock split of our common stock effective October 1, 2024. However, it is not reflected shown below.

1st term (for the period from FY 2018 to FY 2020) are 4 shares per point, and 2nd term (for the period from FY 2021 to FY 2023) and 3rd term (for the period from FY 2024 to FY 2026) are 2 share per point.

1st term (for the period from FY 2018 to FY 2020)

	For the year ended March 31, 2024		For the year ended March 31, 2025	
	BIP Trust	ESOP Trust	BIP Trust	ESOP Trust
(Yen)				
Fair value of the grant date	8,473	8,521	8,473	8,521
(Number of points)				
Balance at beginning of year	10,291	1,637	9,615	1,637
Granted	—	—	—	—
Expired	(676)	—	(2,117)	(419)
Settled	—	—	(2,042)	(347)
Balance at end of year	9,615	1,637	5,456	871

(Note) The number of remaining contractual life of the points as of March 31, 2024 and 2025 are 0 year.

2nd term (for the period from FY 2021 to FY 2023)

	For the year ended March 31, 2024		For the year ended March 31, 2025	
	BIP Trust	ESOP Trust	BIP Trust	ESOP Trust
(Yen)				
Fair value of the grant date	12,690	12,690	12,690	12,690
(Number of points)				
Balance at beginning of year	17,017	7,180	16,173	7,121
Granted	—	—	—	—
Expired	(844)	(59)	(2,960)	(2,874)
Settled	—	—	(13,213)	(4,247)
Balance at end of year	16,173	7,121	—	—

(Note) The number of remaining contractual life of the points as of March 31, 2025 is approximately 0 year.

3rd term (for the period from FY 2024 to FY 2026)

	For the year ended March 31, 2025	
	BIP Trust	ESOP Trust
(yen)		
Fair value of the grant date	6,812	6,812

The number of shares held as BIP Trust for the years ended March 31, 2024 and 2025, are both 1,140,256. Also, the number of shares held as ESOP Trust for the years ended March 31, 2024 and 2025, are both 532,440.

(Note) NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Shares held as BIP Trust and ESOP Trust were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

The expenses for the cash-settled share-based payment recognized for the years ended March 31, 2024 and 2025 were ¥20 million and ¥(28) million, respectively. The related liabilities as of March 31, 2024 and 2025 were ¥150 million and ¥95 million, respectively.

28. Common stock, surplus and others

(1) Common stock

The number and changes of authorized shares and issued shares for the years ended March 31, 2024 and 2025, are as follows:

	For the years ended March 31,	
	2024	2025
	Number of shares	Number of shares
Total number of authorized shares:		
Ordinary shares (no-par value)	1,920,000,000	1,920,000,000
Total number of issued shares:		
Balance at beginning of year	1,192,568,936	1,192,568,936
Increase (decrease)	-	-
Balance at end of year	1,192,568,936	1,192,568,936

(Note) 1. The number of treasury stocks included in the total number of issued shares in the above table for the years ended March 31, 2024 and 2025, are 43,371,640 and 46,261,077, respectively.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Number of shares were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

(2) Additional paid-in capital and retained earnings

Additional paid-in capital mainly consists of capital reserve. The changes in additional paid-in capital for the years ended March 31, 2024 and 2025, are as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Balance at beginning of year	97,670	98,099
Increase (decrease)	429	(654)
Balance at end of year	98,099	97,445

Retained earnings consist of a legal reserve and other retained earnings.

The Companies Act of Japan provides that an amount equal to 10% of dividends must be appropriated as legal reserves until the total of aggregate amount of the legal reserves equals 25% of the common stock.

(3) Treasury stock

	Number of shares	Amount (Yen in millions)
Balance at March 31, 2023	43,055,348	166,917
Repurchase of treasury shares	302,800	983
Repurchase of odd-lot shares	6,430	22
Repurchase of odd-lot shares for Stock exchange	7,062	23
Balance at March 31, 2024	43,371,640	167,945
Repurchase of treasury shares	3,683,500	7,772
Repurchase of odd-lot shares	3,579	12
Sales of treasury shares	(797,642)	(123)
Others	-	(2)
Balance at March 31, 2025	46,261,077	175,604

(Note) 1. It was confirmed that treasury stocks in the amount of ¥1,715 million repurchased in September 2022 based on the resolution of the Company's Board of Directors on April 21, 2022, and ¥6,883 million repurchased from February 15, 2023 to March 20, 2023 based on the resolution of the Company's Board of Directors on January 24, 2023, exceeded the distributable amount determined by the Companies Act of Japan and the Regulation on Corporate Accounting. Of these amounts, the treasury shares repurchased as at March 31, 2023, are included in "Purchase of treasury stock" and "Balance at March 31, 2023" in the consolidated statement of changes in equity.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Number of shares were calculated on the assumption that the relevant stock split had been implemented at the year ended March 31, 2023.

29. Dividends

Dividends declared and paid to the ordinary shareholders are as follows:

For the year ended March 31, 2024

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 26, 2023 Board of directors	Ordinary shares	20,133	35	March 31, 2023	June 1, 2023
October 23, 2023 Board of directors	Ordinary shares	20,128	35	September 30, 2023	December 1, 2023

(Notes) 1. Total dividends resolved at the board of directors on May 26, 2023 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. Total dividends resolved at the board of directors on October 23, 2023 included dividends of ¥17 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

For the year ended March 31, 2025

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 24, 2024 Board of directors	Ordinary shares	23,003	40	March 31, 2024	June 3, 2024
October 23, 2024 Board of directors	Ordinary shares	23,018	40	September 30, 2024	December 2, 2024

(Notes) 1. Total dividends resolved at the board of directors on May 24, 2024 included dividends of ¥19 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

2. Total dividends resolved at the board of directors on October 23, 2024 included dividends of ¥33 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

3. NIDEC carried out a two-for-one stock split of shares of common stock on October 1, 2024. However, Dividends per share have not been retroactively adjusted and are shown on a pre-stock split basis.

Among the dividends whose record date falls in the year ended March 31, 2025, those whose effective date falls in the year ending March 31, 2026 are as follows:

Resolution date	Class of shares	Total amount of dividends (Yen in millions)	Dividends per share (Yen)	Record date	Effective date
May 27, 2025 Board of directors	Ordinary shares	22,960	20	March 31, 2025	June 2, 2025

(Note) Total dividends resolved at the board of directors on May 27, 2025 included dividends of ¥33 million paid to the treasury shares held by the BIP Trust and the ESOP Trust.

30. Revenue

(1) Disaggregation of revenue

For the year ended March 31, 2024

(Yen in millions)

		Type of product								
		Small precision motors			Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Other products	Total
		Hard disk drives spindle motors	Other small precision motors	Subtotal						
Segment	SPMS	70,608	259,988	330,596	-	-	-	-	-	330,596
	AMEC	-	-	-	338,540	-	-	-	-	338,540
	MOEN	-	-	-	-	459,828 (67,808)	-	-	-	459,828 (67,808)
	ACIM	-	-	-	-	428,009	-	-	-	428,009
	Nidec Machinery and Automation	-	-	-	-	-	204,388 (62,192)	-	-	204,388 (62,192)
	Group Company Business	-	85,113	85,113	242,369	78,245	93,987	81,839	4,245	585,798
	Consolidated net sales	70,608	345,101	415,709	580,909	966,082 (67,808)	298,375 (62,192)	81,839	4,245	2,347,159 (130,000)

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

3. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. Details are stated in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5 Segment information".

For the year ended March 31, 2025

(Yen in millions)

(Yen in millions)

		Type of product								
		Small precision motors			Automotive products	Appliance, commercial and industrial products	Machinery	Electronic and optical components	Other products	Total
		Hard disk drives spindle motors	Other small precision motors	Subtotal						
Segment	SPMS	100,219	291,046	391,265	-	-	-	-	-	391,265
	AMEC	-	-	-	348,685	-	-	-	-	348,685
	MOEN	-	-	-	64,494	509,427 (85,577)	-	-	-	573,921 (85,577)
	ACIM	-	-	-	-	462,269	-	-	-	462,269
	Nidec Machinery and Automation	-	-	-	-	-	213,386 (46,708)	-	-	213,386 (46,708)
	Group Company Business	-	96,624	96,624	251,444	80,959	101,205	84,404	3,651	618,287
	Consolidated net sales	100,219	387,670	487,889	664,623	1,052,655 (85,577)	314,591 (46,708)	84,404	3,651	2,607,813 (132,285)

(Notes) 1. Figures show sales for external customers.

2. Figures in the round brackets in the "Type of product" column show revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers.

3. NIDEC has partially changed its operating segment classification in the three months ended September 30, 2024. Details are stated in "V. Consolidated Financial Statements and Other Information, 1. Consolidated Financial Statements, Notes to Consolidated Financial Statements, 5 Segment information".

NIDEC mainly manufactures and sells small precision motors, automotive products, appliances, commercial and industrial products, machinery, electronic and optical components and other products. Business revenue resulting from such business is accounted for under contracts with customers. The amount of revenue which mainly includes its variable considerations is immaterial and does not include significant financing component.

(i) Small precision motors

Small precision motors product group manufactures and sells hard disk drives spindle motors and other small precision motors. Other small precision motors consist of brushless motors, fan motors, vibration motors, brush motors, motor applications and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(ii) Automotive products

Automotive product group manufactures and sells automotive motors and components. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(iii) Appliance, commercial and industrial products

Appliance, commercial and industrial product group manufactures and sells home appliance, commercial and industrial motors and related products. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

(iv) Machinery

Machinery product group manufactures and sells product of industrial robots, card readers, test systems, press machines, power transmission drives and so forth. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery. A construction contract is included in customer contracts, NIDEC transfers control of a good or service over time, and therefore, satisfies a performance obligation and recognizes revenue over time. NIDEC is able to reasonably measure progress toward complete satisfaction of its performance obligations. Accordingly, NIDEC recognizes revenue from sales based on the degree of progress toward complete satisfaction of its performance obligations as of the end of the reporting period. NIDEC uses the input method to measure the extent of progress towards completion based on the costs incurred relative to the total expected costs by contract.

(v) Electronic and optical components

Electronic and optical components product group manufactures and sells product of switches, sensors, lens units, camera shutters and so on. In selling such goods, NIDEC deems its performance obligations to be satisfied upon completion of delivery of the goods, the point at which the customer acquires control of the goods. NIDEC accordingly recognizes revenue from sales of goods at the time of the goods delivery.

(vi) Other products

Other product group provides services and so on. In selling such services, NIDEC deems its performance obligations to be satisfied upon completion of service provision. Accordingly, NIDEC recognizes revenue from sales at the time of service provision.

(2) Contract balances

The contract assets and contract liabilities for the year ended March 31, 2024 and 2025 are as follows:

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Contract assets		
Other current assets	32,115	48,671
Other noncurrent assets	471	376
Contract liabilities		
Other current liabilities	45,397	45,470
Other noncurrent liabilities	29	30

Contract assets are the Company's rights to consideration, excluding any amounts presented as a receivable, in exchange for services rendered under the construction contracts in which revenue from construction contracts satisfied performance obligations over time, which is a part of the sales for external customers. Contract assets are recorded by transferring goods or services to a customer before the customer pays consideration or before payment is due and are reclassified into receivables at the time when invoice to the customer because of the Company's right to consideration becomes unconditional, requiring only the passage of time.

Contract liabilities are advances from customers. Contract liabilities are recorded when Nidec has received consideration from the customer before transferring goods or services to a customer and are reclassified into revenue when transferring goods or services to a customer that has satisfied performance obligations.

The balances of contract liabilities as of April 1, 2023 and 2024 were recognized as revenue during the fiscal years ended March 31, 2024 and 2025, respectively.

The amount of revenue recognized during the fiscal years ended March 31, 2025 from performance obligations satisfied in previous period was not material.

(3) Assets recognized from the costs to obtain or fulfill contracts with a customer

The incremental costs of obtaining a contract with a customer and the costs incurred in fulfilling a contract with a customer are as described below. The amortization of these assets is ¥430 million for the year ended March 31, 2025.

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Incremental costs of obtaining a contract with a customer		
Other noncurrent assets	2,489	2,196
Assets recognized from the costs to fulfill contracts		
Other noncurrent assets	72	24

(4) Transaction price allocated to the remaining performance obligations

Transaction price and period for satisfaction allocated to the remaining performance obligations related to construction contracts are as described below. The transactions for which individual estimated contract terms are within one year are excluded.

(Yen in millions)

Period	As of March 31, 2024	As of March 31, 2025
Within one year	79,413	110,614
Over one year	30,612	55,657
Total	110,025	166,271

31. Operating expenses

Operating expenses for the year ended March 31, 2025 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥113,972 million of depreciation, ¥24,096 million of amortization and ¥470,685 million of employee benefit expenses. Operating expenses for the year ended March 31, 2024 (cost of sales, selling, general and administrative expenses and research and development expenses) include ¥110,364 million of depreciation, ¥22,169 million of amortization and ¥429,898 million of employee benefit expenses.

32. Financial income and expenses

(1) Financial income

The breakdown of financial income is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Interest income		
Financial assets measured at amortized cost	35,304	35,766
Dividend income		
FVTOCI equity financial assets	597	916
Others	393	177
Total	36,294	36,859

(2) Financial expenses

The breakdown of financial expenses is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Interest expenses		
Financial liabilities measured at amortized cost	(20,337)	(21,513)
Others	(1,530)	(2,146)
Total	(21,867)	(23,659)

33. Earnings per share

The basis for calculating earnings (loss) per share attributable to owners of the parent - basic is as follows:

"Earnings per share attributable to owners of the parent - diluted" are not presented because there were no securities with dilutive effect outstanding.

	For the years ended March 31,	
	2024	2025
Profit attributable to owners of the parent (Yen in millions)	124,455	164,365
Profit from continuing operations attributable to owners of the parent (Yen in millions)	124,499	164,569
Loss from discontinued operations attributable to owners of the parent (Yen in millions)	(44)	(204)
Weighted average shares (Shares)	1,149,199,980	1,148,916,724
Earnings (loss) per share attributable to owners of the parent-basic (Yen)	108.30	143.06
Continuing operations (Yen)	108.34	143.24
Discontinued operations (Yen)	(0.04)	(0.18)

- (Notes) 1. In the calculation of "Earnings (loss) per share attributable to owners of the parent - basic", the Company's shares owned by the BIP Trust and the ESOP Trust are included in treasury stock. Therefore, the number of those shares is deducted from calculating the number of "Weighted average shares".
2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings(loss) per share attributable to owners of the parent-basic were calculated on the assumption that the relevant stock split had been implemented at the beginning of the year ended March 31, 2024.

34. Derivatives

NIDEC manages the exposure of the fluctuations in currency, interest rate and commodity prices through the use of derivative financial instruments which include foreign exchange forward contracts, interest rate swap agreements, currency swap agreements and commodity futures contracts. NIDEC does not hold derivative financial instruments for trading purpose. NIDEC is exposed to credit risk in the event of non-performance by counterparties to the derivative contracts, but such risk is considered to be minimal due to high credit rating of the counterparties.

(1) Cash flow hedges

NIDEC uses foreign exchange forward contracts and commodity futures contracts designated as cash flow hedges to protect against currency risks and commodity price risks inherent in a portion of its forecasted transactions related to purchase commitments.

(2) Derivatives not designated as hedges

NIDEC is unable or has elected not to apply hedge accounting to some of these derivatives from time to time. The changes in the fair value of these contracts are included in "Derivative gain (loss)" and "Foreign exchange differences".

Derivatives designated as cash flow hedges are as follows:

As of March 31, 2024

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	29,865	3,385	33	Other financial assets Other financial liabilities
Commodity price risk				
Commodity futures contracts	1,736	333	6	Other financial assets Other financial liabilities

As of March 31, 2025

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Currency risk				
Foreign exchange forward contracts	26,790	96	1,130	Other financial assets Other financial liabilities
Commodity price risk				
Commodity futures contracts	1,806	531	2	Other financial assets Other financial liabilities

Derivatives not designated as hedges are as follows:

As of March 31, 2024

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	27,651	58	1	Other financial assets Other financial liabilities
Interest rate swap agreements	20,000	-	376	Other financial liabilities

As of March 31, 2025

(Yen in millions)

	Notional amount	Carrying amount		Line item in the consolidated financial statements
		Assets	Liabilities	
Foreign exchange forward contracts	53,748	65	373	Other financial assets Other financial liabilities
Interest rate swap agreements	20,000	-	1,070	Other financial liabilities

Carrying amounts of cash flow hedge reserve are as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Currency risk		
Foreign exchange forward contracts	1,818	(1,488)
Commodity price risk		
Commodity futures contracts	302	302

The effects of derivatives designated as cash flow hedges on profit or loss are as follows:

For the year ended March 31, 2024

(Yen in millions)

	Hedging gain or loss recognized in OCI	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in the consolidated statements of income that includes the reclassification adjustment
Currency risk			
Foreign exchange forward contracts	2,542	(2,256)	Cost of sales
Commodity price risk			
Commodity futures contracts	298	(128)	Cost of sales

For the year ended March 31, 2025

(Yen in millions)

	Hedging gain or loss recognized in OCI	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in the consolidated statements of income that includes the reclassification adjustment
Currency risk			
Foreign exchange forward contracts	(2,424)	(883)	Cost of sales

The amount of hedge ineffectiveness or exclusion from the assessment of hedge effectiveness recognized in profit or loss was not material for the years ended March 31, 2024 and 2025.

As of March 31, 2025, the maximum length of time over which NIDEC hedged its exposure to variability in future cash flows for forecast transactions was approximately 23 months.

The effects of derivatives not designated as hedges on profit or loss are as follows:

(Yen in millions)

	Line item in the consolidated financial statements	For the years ended March 31,	
		2024	2025
Foreign exchange forward contracts	Foreign exchange differences	57	(308)
Interest rate swap agreements	Derivative gain (loss)	(188)	(694)

35. Fair values

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The levels of the fair value hierarchy are as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets;
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, inputs that are corroborated by observable market data by correlation or other means;
- Level 3: Unobservable inputs for the asset or liability.

For recurring fair value measurements of assets and liabilities, NIDEC reviews whether there are transfers between levels of the fair value hierarchy at the end of the period by reassessing the level to be applied to the asset or liability for measuring its fair value.

Fair values of financial instruments measured at amortized cost

(Yen in millions)

	March 31, 2024		March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Short term investments	24	24	43	43
Long term investments	5,066	5,146	5,053	5,043
Short term loans receivable	12	12	10	10
Long term loans receivable	8,331	8,245	209	187
Short term borrowings	(42,954)	(42,954)	(93,710)	(93,710)
Long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds)	(148,994)	(147,145)	(263,953)	(258,761)
Corporate bonds (including corporate bonds due within one year)	(351,332)	(344,839)	(220,877)	(215,965)

The following are explanatory notes relating to fair value estimation of the financial instruments.

(1) Short term investments, short term loans receivable and short term borrowings

In the normal course of business, substantially all short term investments (time deposits), short term loans receivable and short term borrowings are highly liquid and are carried at amounts that approximate their fair values.

(2) Long term investments

The fair value of Long term investments is mainly held to maturity bonds. It is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(3) Long term loans receivable

The fair value of long term loans receivable is estimated by discounting expected future cash flows to their present values and classified as Level 2.

(4) Long term debt

The fair value of long term debt (including long term debt due within one year and excluding the lease liabilities and corporate bonds) is estimated based on the present value of future repayment amounts by discounting at NIDEC's expected incremental borrowing rates for similar liabilities and classified as Level 2.

(5) Corporate bonds

The fair value of bonds issued by NIDEC (including corporate bonds due within one year) is estimated based on the quoted market price for the NIDEC's bonds in markets that are not active and classified as Level 2.

The fair values of "cash and cash equivalents", "trade and other receivables" and "trade and other payables" approximate their carrying amounts because of the short maturity of these instruments. Therefore, the table described above excludes these financial instruments.

Breakdown of financial instruments measured at fair value on a recurring basis by levels of the fair value hierarchy.

The following is an analysis of financial instruments measured at fair value after they are initially recognized.

The breakdown of financial assets and financial liabilities categorized by the levels of the fair value hierarchy used in the analysis is as follows:

As of March 31, 2024

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTOCI equity financial assets	29,135	-	2,220	31,355
FVTOCI debt financial assets	-	93	-	93
Derivatives	333	3,443	-	3,776
Total financial assets	29,468	3,536	2,220	35,224
Liabilities:				
Derivatives	6	410	-	416
Total financial liabilities	6	410	-	416

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2024.

As of March 31, 2025

(Yen in millions)

	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investment securities				
FVTOCI equity financial assets	28,030	-	3,270	31,300
FVTOCI debt financial assets	-	38	-	38
Derivatives	531	161	-	692
Total financial assets	28,561	199	3,270	32,030
Liabilities:				
Derivatives	2	2,573	-	2,575
Total financial liabilities	2	2,573	-	2,575

(Note) There were no transfers between Level 1, Level 2 and Level 3 during the year ended March 31, 2025.

Level 1 securities and derivatives including commodity futures are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions.

Level 2 securities are valued using non-active market prices for identical assets. Level 2 derivatives including foreign exchange forward contracts are valued using quotes obtained from counterparties or third parties, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates.

Level 3 securities are composed mainly of unlisted shares. Fair values of those unlisted shares are calculated by discounted cash flow method, etc. For securities of level 3, no significant changes in fair value are expected to occur as a result of changing unobservable inputs to other alternative assumptions that are considered reasonable.

The reconciliation of financial instruments categorized as Level 3 is as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Balance at beginning of year	2,258	2,220
Gains or losses:		
Recognized in other comprehensive income (Note)	(18)	(80)
Purchases	2	-
Sales	(43)	(5)
Acquisition by business combination	21	-
Others	-	1,135
Balance at end of year	2,220	3,270

(Note) Those are included in "fair value movements on FVTOCI equity financial assets" and "foreign currency translation adjustments" in the consolidated statements of other comprehensive income.

36. Related party transactions

(1) Transactions with related parties for the years ended March 31, 2024 and 2025 are as follows:

Sales of goods and services

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Related parties		
S.N. Kosan, Ltd.*1	1	3
Nagamori Foundation*2	12	13
Nagamori Gakuen Educational Foundation*3	25	21
Nagamori Culture Foundation*4	79	78

(Notes) *1. A director of NIDEC owns a majority of voting rights of S.N. Kosan, Ltd.

*2. A director of NIDEC concurrently serves as president of Nagamori Foundation.

*3. A director of NIDEC concurrently serves as chairman of the board of trustees of Nagamori Gakuen Educational Foundation.

*4. A director of NIDEC concurrently serves as representative director of Nagamori Culture Foundation.

Sales of goods and services to related parties are entered into on terms consistent with third-party transactions and considering market prices.

Purchase of goods and services

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Related parties		
S.N. Kosan, Ltd.	13	11
Nagamori Gakuen Educational Foundation	80	81
Nagamori Culture Foundation	1	1
Green Kosan, LLC*5	-	66

(Note) *5. A director of NIDEC concurrently serves as representative member of Green Kosan, LLC.

Purchase of goods and services from related parties are entered into on terms consistent with third-party transactions and considering market prices. The payment of joint research costs to Nagamori Gakuen Educational Foundation is determined based on the joint research agreement concluded upon mutual consultation.

Outstanding balances arising from sales and purchases of goods and services

(Yen in millions)

	March 31, 2024	March 31, 2025
Receivables from related parties		
S.N. Kosan, Ltd.	-	-
Nagamori Foundation	0	0
Nagamori Gakuen Educational Foundation	2	2
Nagamori Culture Foundation	1	1
Payables to related parties		
S.N. Kosan, Ltd.	-	-
Nagamori Gakuen Educational Foundation	-	-
Nagamori Culture Foundation	0	0
Green Kosan, LLC	-	-

No expected credit loss allowance for receivables from related parties was recognized at March 31, 2024 and 2025. In addition, there were no expenses recognized during the years ended March 31, 2024 and 2025 in respect of receivables from related parties.

(2) NIDEC's key management personnel compensation for the years ended March 31, 2024 and 2025 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Fixed compensation	233	603
Variable compensation	-	-
Performance-linked share-based compensation	-	(13)
Total	233	590

(Note) For the year ended March 31, 2024, key management personnel were defined as directors. For the year ended March 31, 2025, following a review of existing internal committees and the redefinition of NIDEC's Management Meeting as an operational decision-making body, the scope also includes executive officers participating in NIDEC's Management Meeting in addition to directors.

37. Subsidiaries and associates

(1) Composition of the group

The composition of the NIDEC group is presented in "I. Overview of the Company, 4. Information on Affiliates".

(2) Subsidiaries that have non-controlling interests that are material

There is no subsidiary that has non-controlling interests that are material.

(3) Aggregate financial information about investments in associates that are not individually material

(Yen in millions)

	As of March 31, 2024	As of March 31, 2025
Carrying amount of interest in associates	8,352	1,044

(Yen in millions)

	For the years ended March 31,	
	2024	2025
Comprehensive income for the year		
Loss for the year	(7,164)	(3,179)
Total	(7,164)	(3,179)

38. Leases

1. Lessee

NIDEC leases certain assets under lease arrangements. The summary of leases is as follows:

(1) Carrying amounts of right-of-use assets

(Yen in millions)

Right-of-use assets	Land	Buildings	Machinery and equipment	Vehicles	Software
Balance at April 1, 2023	6,664	40,765	2,432	2,111	138
Depreciation	(801)	(4,853)	(1,132)	(430)	(93)
Acquisitions through business combinations	-	1,025	-	13	-
New contract	165	8,842	1,355	2,088	-
Foreign currency translation adjustments	992	7,197	916	514	-
Others *3	(38)	(7,023)	(898)	(1,205)	-
Balance at March 31, 2024	6,982	45,953	2,673	3,091	45
Depreciation	(498)	(9,517)	(1,079)	(1,353)	(37)
Acquisitions through business combinations	-	3,682	-	2	-
New contract	20	7,669	1,300	1,922	-
Foreign currency translation adjustments	(91)	(712)	(34)	(17)	-
Others *3	202	(1,400)	(252)	(717)	-
Balance at March 31, 2025	6,615	45,675	2,608	2,928	8

(Notes)*1. Land, buildings, machinery and equipment, vehicles are included in "Property, plant and equipment" in the consolidated statement of financial position.

*2. Software is included in "Intangible asset" on the Consolidated Statement of Financial Position.

*3. Others include cancellations of lease contract and so forth.

(2) Lease liabilities

(Yen in millions)

Term	March 31, 2024	March 31, 2025
Within one year	13,151	12,782
Over one year within five years	31,923	30,683
Over five years	23,824	25,257
Total undiscounted lease liabilities at March 31	68,898	68,722
Lease liabilities included in consolidated statements of financial position at March 31	57,619	57,506
Current	11,441	11,193
Non-current	46,178	46,313
Total	57,619	57,506

(Note) Lease liabilities are split between long term debt due within one year and long term debt in the consolidated statements of financial position.

(3) The amount recognized in profit or loss

(Yen in millions)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Depreciation of right-of-use assets		
Land	801	498
Buildings	4,853	9,517
Machinery and equipment	1,132	1,079
Vehicles	430	1,353
Software	93	37
Subtotal	7,309	12,484
Interest expense	1,721	1,465
Expenses relating to short-term leases	3,766	6,021
Expenses relating to low-value asset leases	2,122	1,586
Subtotal	7,609	9,072
Total	14,918	21,556

(4) The amount recognized in statements of cash flows

At March 31, 2025 and 2024, the total cash outflow for leases is ¥20,181 million and ¥10,857 million.

2. Lessor

(1) Operating lease

NIDEC is a lessor of a portion of the buildings and equipment in operating leases.

Rental income under operating leases for the year ended March 31, 2025 and 2024 were ¥49 million and ¥69 million.

The future minimum rental income under operating leases with remaining non-cancellable terms are as follows:

(Yen in millions)

Term	March 31, 2024	March 31, 2025
Within one year	20	0
Over one year within five years	-	-
Over five years	-	-
Total future minimum rental income	20	0

(2) Finance lease

NIDEC is a lessor of a portion of the equipment in finance leases.

The gross investment in the lease and the net investment in the lease for finance lease contracts and the reconciliation of these items as of March 31, 2024 and 2025, are as follows:

(Yen in millions)

Term	March 31, 2024	March 31, 2025
Within one year	224	285
Over one year within five years	1,344	1,724
Over five years	1,803	-
Total gross investment in the lease	3,371	2,009
Less: Unearned finance income	167	159
Net investment in the lease	3,204	1,850

The breakdown of the revenue from finance leases is as follows:

(Yen in millions)

Term	March 31, 2024	March 31, 2025
Selling profit or loss	11	-
Interest income	41	49

39. Financial instruments

(1) Capital management

NIDEC's capital management principle is to optimize capital structure by achieving a balance between capital efficiency and financial strength, while sustainably increasing corporate value and aiming for a total payout ratio of 50%.

NIDEC's ratio of equity attributable to owners of the parent to total assets and profit ratio of equity attributable to owners of the parent are as follows:

	March 31, 2024	March 31, 2025
Ratio of equity attributable to owners of the parent to total assets	51.6 %	51.8 %

	For the years ended March 31,	
	2024	2025
Profit ratio of equity attributable to owners of the parent	8.4 %	9.8 %

There are no material capital regulations applicable to NIDEC.

(2) Credit risk management

NIDEC defines default on trade receivables as "claims becoming unrecoverable due to customer's failure to fulfill its obligation". Therefore, regarding trade receivables, Nidec is regularly monitoring the financial position of main clients by checking payment terms and credit balance for each client according to the credits management policies to ensure early identification and mitigation of the potential credit loss associated with deterioration of their financial position.

No significant concentration of credit risk is present in a particular customer.

NIDEC's maximum exposure to credit risks is the carrying amount of financial assets less impairment losses in the consolidated financial statements.

The analysis of aging of receivables that are past due and expected credit loss of those financial assets are as follows:

As of March 31, 2024

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	55,181	46,280	2,999	5,902
Expected credit loss allowance	(3,949)	(234)	(81)	(3,634)
Net amount	51,232	46,046	2,918	2,268
Rate of expected credit loss	7.2%	0.5%	2.7%	61.6%
Other financial assets:				
Gross amount	446	-	-	446
Expected credit loss allowance	(445)	-	-	(445)
Net amount	1	-	-	1
Rate of expected credit loss	99.8%	-	-	99.8%

As of March 31, 2025

(Yen in millions)

	Past due			
	Total	Within six months	Over six months within one year	Over one year
Trade and other receivables:				
Gross amount	51,745	40,381	5,416	5,948
Expected credit loss allowance	(4,048)	(33)	(91)	(3,924)
Net amount	47,697	40,348	5,325	2,024
Rate of expected credit loss	7.8%	0.1%	1.7%	66.0%
Other financial assets:				
Gross amount	446	-	-	446
Expected credit loss allowance	(445)	-	-	(445)
Net amount	1	-	-	1
Rate of expected credit loss	99.8%	-	-	99.8%

The changes in the balance of expected credit loss allowance directly deducted from assets are as follows:

(Yen in millions)

	For the year ended March 31,			
	2024		2025	
	Trade and other receivables	Other financial assets	Trade and other receivables	Other financial assets
Expected credit loss allowances at beginning of the year	5,383	447	5,261	449
Expected credit loss allowance, net of reversal	556	(26)	1,902	(1)
Usage as intended	(1,250)	-	(763)	-
Foreign currency translation and other	572	28	(81)	3
Expected credit loss allowances at the end of the year	5,261	449	6,319	451

(3) Liquidity risk management

NIDEC relies on borrowings from financial institutions and capital raising from direct financing markets to finance its operations and capital expenditures. If, due to changes in financial market conditions or other factors, financial institutions reduce, terminate or otherwise modify the amounts or terms of their lending or credit lines to NIDEC, if there is a significant downgrade of its credit ratings by one or more credit rating agencies as a result of any deterioration of its financial condition or if investor demand significantly decreases due to economic downturns or otherwise, NIDEC may not be able to access funds when NIDEC needs them on acceptable terms.

NIDEC regularly checks the status of liquidity on hand and interest-bearing liabilities, and develops a financing plan against the liquidity risk. Furthermore, the board of directors approves the establishment of credit line for flexible financing in accordance with the plan.

See "21. Short term borrowings and long term debt" for the aggregate amounts of annual maturity of long term debts.

(4) Market risk management

1) Currency risk management

A significant portion of NIDEC overseas sales is denominated in currencies other than Japanese yen, primarily the U.S. dollar, Euro, Chinese yuan and Thai baht. NIDEC is exposed to currency risks arising from the appreciation of the Japanese yen against each currency. The appreciation of the Japanese yen against each currency would have negative effects on NIDEC's sales, operating profit and profit for the year, etc. Furthermore, foreign exchange fluctuation affects the consolidation of financial statements of foreign subsidiaries.

To mitigate the currency risks, NIDEC, in principle, controls the balance of monetary assets and liabilities of each currency and uses a natural hedge such as selling and purchasing in a same currency. For some cases, NIDEC uses foreign exchange forward contracts and other contracts to reduce the impact of foreign exchange fluctuations.

The financial impacts on profit before income taxes in the case of appreciation of Japanese yen against the U.S. dollar and Euro by 1% on the foreign currency denominated financial instruments held by NIDEC while all other variables are held constant as of March 31, 2024 and 2025 are as follows:

(Yen in millions)

	For the years ended March 31,	
	2024	2025
U.S. dollar (appreciation of Japanese yen by 1%)	(1,869)	(2,658)
Euro (appreciation of Japanese yen by 1%)	(1,788)	(643)

2) Interest rate risk management

As NIDEC has no significant interest-bearing assets, NIDEC's profit or loss and cash flows are substantially independent of changes in market interest rates.

NIDEC has interest-bearing liabilities and enters into interest rate swaps and other contracts in order to manage the risks of the interest rate fluctuation and changes in cash flows of those liabilities. In addition, we monitor the interest rate fluctuation regularly. As a result, interest rate sensitivity analysis is omitted because payment of interest does not have material impacts on NIDEC.

3) Share price fluctuation risk management

For shares that NIDEC holds, we regularly check their market share price and financial condition of the issuers and monitor unrealized profits or losses. In addition, we review the shareholding on a continuous and as needed basis, taking into consideration the relationship with the issuers.

40. Contingent liabilities

At March 31, 2025, NIDEC was aware of total contingent liabilities of ¥55,303 million relating to bid bonds, advance payment bonds, performance bonds, warranty bonds and payment bonds. Such contingencies relate to the performance of the undergoing projects or projects in its warranty periods. No material claims have been made against the guarantees and NIDEC has not found any event that may result in material claims.

41. Commitments

Commitments for expenditures after the closing date are as follows:

(Yen in millions)

	March 31, 2024	March 31, 2025
Property, plant and equipment and other assets	25,017	15,351

42. Events after the reporting period

Completion of Acquisition of Changzhou Xecom Energy Technologies Co., Ltd.

On July 8, 2025, NIDEC has acquired full ownership of Changzhou Xecom Energy Technologies Co., Ltd. ("Xecom") (the "Transaction"). Since the initial accounting for the business combination has not been completed as of September 26, 2025 further details have not yet been disclosed. Changzhou Xecom Energy Technologies Co., Ltd. was subsequently renamed Nidec Scroll Technology (Changzhou) Co., Ltd.

1. Purpose	Xecom designs and produces Scroll Compressors. Through the Transaction, NIDEC will be able to expand and consolidate its presence in the refrigeration segment and make it able to join new fields in the air conditioning and heat pump markets.
2. Acquisition method	NIDEC utilizes its cash on hand for funding.

43. Authorization of consolidated financial statements

NIDEC's consolidated financial statements were authorized for issue on September 26, 2025 by Mitsuya Kishida, Representative Director and President and Chief Executive Officer, Akinobu Samura, Senior Vice President and Chief Financial Officer, Masayuki Minai, Vice President and Chief Compliance Officer and Kazuya Murakami, Vice President and Chief Legal Officer.

2. Others

Half information, etc. from April 1, 2024 to March 31, 2025

(Yen in millions, unless otherwise indicated)

(Accumulated period)	For the six months ended September 30, 2024	For the year ended March 31, 2025
Net sales	1,293,811	2,607,813
Profit before income taxes	99,648	233,309
Profit attributable to owners of the parent	75,377	164,365
Earnings per share attributable to owners of the parent-basic (yen)	65.59	143.06

(Notes) 1. NIDEC finalized the provisional accounting treatment for the business combination in the year ended March 31, 2025.

Condensed interim Consolidated financial statements for the year ended March 31, 2025 reflect the revision of the initially allocated amounts of acquisition cost as NIDEC finalized the provisional accounting treatment for the business combination.

2. NIDEC implemented a two-for-one common stock split, effective October 1, 2024. Earnings per share attributable to owners of the parent-basic were calculated on the assumption that the relevant stock split had been implemented at the year ended March 31, 2024.

VI. Share-related Administration of the Company.

Fiscal year	April 1 - March 31
Annual General Meeting of Shareholders	During June
Record date	March 31
Record dates for dividends of surplus	September 30 March 31
Number of shares in one trading unit	100 shares
Buyback in holdings of shares less than one unit	
Place of handling	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. 5-33, Kitahama 4-chome, Chuo-ku, Osaka
Administrator of shareholder registry	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Forwarding office	-
Fees for buyback in holdings	Amount separately specified as an amount equivalent to fees for entrusting sale or purchase of shares
Method of giving public notice	Nidec carries out its public notifications by means of electronic public notice https://www.nidec.com/en/ However, in the event of an accident which makes electronic notice impossible, or the occurrence of similar circumstances which cannot be controlled, public notification shall be posted in the Nihon Keizai Shimbun (the Nikkei Newspaper).
Shareholders privileges	<p>Shareholder Benefit Program</p> <p>1. Music box</p> <p>1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits <Target: Shareholders with a shareholding period of 10 years or longer* and a share unit (100 shares) or more> — Contents : Music box (by application or lot) — Benefit : A) An Orpheus music box (worth from 75,000 yen to 90,000yen) — Shareholders : 10 by lot <Target: Shareholders with a shareholding period of 3 years or longer and a share unit (100 shares) or more> — Contents : Music box (by application or lot) — Benefit : B) A music box (worth 5,000 yen) — Shareholders : 100 by lot</p> <p>*Those who own the Company's shares for 10 years or longer may choose either A) or B) above when applying.</p>

Shareholders privileges	<p>2. A leaflet which serves as an admission ticket to Suwanone Museum of where Nidec Instruments Corporation showcases their music box products.</p> <p>1) Eligible shareholders The program will apply to shareholders recorded in shareholders' register as of March 31 every year.</p> <p>2) Type of benefits Nidec offers a leaflet that can be used as an admission ticket or discount voucher for music box-related activities.</p> <ul style="list-style-type: none"> • Nidec will also offer a 10% discount ticket that can be used for a purchase of merchandise over 5,000 yen. • A 10% discount coupon that can be used for purchases of 5,000 yen or more at the museum's online shop. • A 10% discount coupon for the Green Sun Hotel, located near the museum, and operated by a Nidec group company. When booking this hotel online, please select on-site cash payment, so we will offer the discounted rate. <p>(Please have your leaflet with you when visiting Suwanone Museum.)</p> <ul style="list-style-type: none"> • A 10% discount coupon that can be used for purchases of 5,000 yen or more at the Nidec Orgel Showroom. <p>(Please have your leaflet with you when visiting Suwanone Museum.)</p>
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- (Notes) 1. The Articles of Incorporation provide that a holder of shares less than one unit does not have any rights other than rights under each item of Article 189, Paragraph 2 of the Companies Act or rights to be allotted rights to subscribe for free for new shares and share acquisition rights in proportion to the number of shares held by the shareholder.
2. We assume that a buyback of shares less than one unit is charged through an account administration authority, such as a brokerage firm and so on (in case of the special account, the above Sumitomo Mitsui Trust Bank, Limited).

VII. Reference Information on the Company

1. Information on Parent Company, etc. of the Company

The Company has no parent company pursuant to Article 24-7, Paragraph 1 of Financial Instruments and Exchange Act of Japan.

2. Other Reference Information

The Company filed the following documents during the period from the commencing date of the fiscal year ended March 31, 2025 to the filing date of the Annual Securities Report.

1. Annual Securities Report and the attachments thereto, and Confirmation Letter

(The 51st business term) (From April 1, 2023 to March 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on June 19, 2024
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2. Amendment to Annual Securities Report and Confirmation Letter

(The 50th business term) (From April 1, 2022 to March 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(The 51st business term) (From April 1, 2023 to March 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on June 25, 2024

3. Internal Control Report

Filed with the Director-General of the Kanto Local Finance Bureau on June 19, 2024

4. Amendment to Internal Control Report

Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024

Filed with the Director-General of the Kanto Local Finance Bureau on January 10, 2025

5. Shelf Registration Statements (Straight bond) and the attachments thereto

Filed with the Director-General of the Kanto Local Finance Bureau on April 1, 2024

6. Amend shelf registration statement

Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024

Filed with the Director-General of the Kanto Local Finance Bureau on June 20, 2024

Filed with the Director-General of the Kanto Local Finance Bureau on June 25, 2024

Filed with the Director-General of the Kanto Local Finance Bureau on June 24, 2025

Filed with the Director-General of the Kanto Local Finance Bureau on June 30, 2025

7. Amendment to Quarterly Report and Confirmation Letter

(First Quarter of the 50th business term) (From April 1, 2022 to June 30, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Second Quarter of the 50th business term) (From July 1, 2022 to September 30, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Third Quarter of the 50th business term) (From October 1, 2022 to December 31, 2022)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(First Quarter of the 51st business term) (From April 1, 2023 to June 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Second Quarter of the 51st business term) (From July 1, 2023 to September 30, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024
(Third Quarter of the 51st business term) (From October 1, 2023 to December 31, 2023)	Filed with the Director-General of the Kanto Local Finance Bureau on May 24, 2024

8. Semiannual securities report and Confirmation Letter

(Semiannual of the 52nd business term) (From April 1, 2024 to September 30, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on November 13, 2024
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9. Extraordinary Report

Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on June 20, 2024
Pursuant to Article 24-5, Paragraph 4 of the Financial Instruments and Exchange Act and Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance Concerning Disclosure of Corporate Affairs, etc.	Filed with the Director-General of the Kanto Local Finance Bureau on June 24, 2025

10. Securities Registration Statement (reference method) and the attachments thereto

New share issuance through third-party allotment

Filed with the Director-General of the Kanto Local Finance Bureau on July 23, 2024

11. Status Report of Acquisition of Treasury Shares

(From June 1, 2024 to June 30, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on July 4, 2024
(From July 1, 2024 to July 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on August 6, 2024
(From August 1, 2024 to August 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on September 5, 2024
(From September 1, 2024 to September 30, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on October 4, 2024
(From October 1, 2024 to October 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on November 7, 2024
(From November 1, 2024 to November 30, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on December 5, 2024
(From December 1, 2024 to December 31, 2024)	Filed with the Director-General of the Kanto Local Finance Bureau on January 9, 2025
(From January 1, 2025 to January 31, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on February 6, 2025
(From February 1, 2025 to February 28, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on March 6, 2025
(From March 1, 2025 to March 31, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on April 4, 2025
(From April 1, 2025 to April 30, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on May 12, 2025
(From May 1, 2025 to May 31, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on June 5, 2025
(From June 1, 2025 to June 30, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on July 4, 2025
(From July 1, 2025 to July 31, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on August 6, 2025
(From August 1, 2025 to August 31, 2025)	Filed with the Director-General of the Kanto Local Finance Bureau on September 4, 2025

Part II Information on Guarantors, etc. for the Company

Not applicable.

TRANSLATION

Following is an English translation of the Independent Auditors' report filed under the Financial Instrument and Exchange Act of Japan. This report is presented merely as supplemental information.

Independent Auditors' Report

(filed under the Financial Instruments and Exchange Act of Japan)

September 26, 2025

To the Board of Directors of
NIDEC CORPORATION:

PricewaterhouseCoopers Japan LLC
Kyoto office

Designated limited liability and Engagement Partner,
Certified Public Accountant: Tsuyoshi Yamamoto

Designated limited liability and Engagement Partner,
Certified Public Accountant: Tatsuro Iwai

Designated limited liability and Engagement Partner,
Certified Public Accountant: Yuichiro Amano

Designated limited liability and Engagement Partner,
Certified Public Accountant: Kyohei Yamaguchi

The Audit of The Consolidated Financial Statements

Disclaimer of Opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the consolidated financial statements of NIDEC CORPORATION ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") provided in the "Financial Information" section, which comprise the consolidated statement of financial position, consolidated statements of income and consolidated statements of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to the consolidated financial statements for the consolidated fiscal year from April 1, 2024 to March 31, 2025.

Given the significance of the potential impact of the matters described in the "Basis for Disclaimer of Opinion" on the consolidated financial statements, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for expressing an audit opinion on the consolidated financial statements, so we do not express an audit opinion.

Basis for Disclaimer of Opinion

As described in the Notes to Consolidated Financial Statement "Investigations by Third-Party Committees and Other Internal Investigations" section "1. Investigations by Third-Party Committees", the Company has identified suspicions of inappropriate accounting treatment with the involvement or knowledge of management of the Company and its group companies, such as arbitrary adjustments to the timing of write-downs of assets that carry evaluation risk, which could have a significant impact on the consolidated financial statements. Therefore, the Company determined that an objective investigation by a Third-Party Committee independent of the Company was necessary and established the Third-Party Committee on September 3, 2025. The Third-Party Committee is responsible for investigating the facts regarding suspected improper accounting treatment, calculating the amount of impact if improper accounting treatment is identified, investigating the cause of the discovery of improper accounting treatment, recommending measures to prevent recurrence, and other matters deemed necessary by the Third-Party Committee.

In addition, as described in the Notes to Consolidated Financial Statements "Investigations by Third-Party Committees and Other Internal Investigations" section "2. Other Internal Investigations", the Company is conducting internal investigations into issues related to trade transactions and tariffs.

The Company has stated in the Notes to Consolidated Financial Statement “Investigations by Third-Party Committees and Other Internal Investigations,” the investigations by the Third-Party Committee and other internal investigations are ongoing, and if any misstatements are identified as a result of the investigations, they could have a material and pervasive impact on the consolidated financial statements.

However, the Company has also stated that as the amounts of such impact may not be limited to specific consolidated financial statement line items and notes, such impact has not been reflected in the consolidated financial statements.

We were unable to obtain sufficient and appropriate audit evidence to form an opinion on the consolidated financial statements. We have also determined that the potential impact of undetected misstatements, if any, on the consolidated financial statements could be material and pervasive and is not limited to specific consolidated financial statement accounts or notes. As a result, we were unable to determine whether any adjustments to the consolidated financial statements were necessary.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards.

The Audit and Supervisory Committee is responsible for overseeing the directors' execution of their duties in designing and operating the Group’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to perform an audit in accordance with auditing standards generally accepted in Japan, and to express an opinion in our independent auditor’s report on financial statements. However, as stated in the "Basis for Disclaimer of Opinion" in this report, we were unable to obtain sufficient and appropriate audit evidence to form the basis for expressing an opinion on the consolidated financial statements. We are independent of the Group in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The Audit of The Internal Control Report

Disclaimer of Opinion

Pursuant to Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act of Japan, we have been engaged to audit the internal control report of NIDEC CORPORATION as of March 31, 2025.

Given the significance of the potential impact of the matters described in the "Basis for Disclaimer of Opinion" on the Internal Control Report, we were unable to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion on Internal Control Over Financial Reporting. Therefore, we do not express an opinion on the above-mentioned Internal Control Report, in which the Company cannot express the results of their assessment of Nidec Corporation's internal control over financial reporting as of March 31, 2025.

Basis for Disclaimer of Opinion

As stated in the Internal Control Report, investigations by the third-party committee related to suspicions of improper accounting treatment and internal investigations of issues related to trade transactions and tariffs are ongoing. Therefore, the Company has been unable to determine the scope of assessment of internal control over financial reporting reflected in these investigations, has not been able to perform procedures based on the reevaluation of scope, and the Company has concluded that it is unable to disclose the results of assessment of internal control over financial reporting as of March 31, 2025.

As a result, we could not perform significant audit procedures, we were unable to obtain a basis for expressing our audit opinion on Internal Control Report, in which the Company cannot express the results of their assessment of Nidec Corporation's internal control over financial reporting as of March 31, 2025

Emphasis of Matters

As described in the internal control report, there are material weaknesses in the company's entity level controls and accounting closing and reporting processes. As described in the "Basis for Disclaimer of Opinion" within the section “THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS” above, we were unable to obtain sufficient and appropriate audit evidence to form an opinion on the consolidated financial statements, we have also determined that the potential impact of undetected misstatements, if any, on the consolidated financial statements could be material and pervasive and is not limited to specific consolidated financial statement accounts or notes. As a result, we are unable to determine whether any adjustments to the consolidated financial statements are necessary.

Responsibilities of Management and The Audit and Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing and examining the design and operation of internal control over financial reporting.

Internal control over financial reporting may not completely prevent or detect misstatements of financial statements.

Auditor's Responsibilities for the Audit of the Internal Control Report

Our objectives are to perform an audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan and express an opinion on the internal control report in our independent auditor's report on internal control over financial reporting. However, as stated in the "Basis for Disclaimer of Opinion", we were unable to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion. We are independent of the Group in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

<Fee-Related Information>

The amounts of fees for the audit and the other services charged to the company and its controlled entities by the audit firm and firms belonging to the same network as the audit firm are disclosed in the Corporate Governance, etc (3) Audit Status included in "Information on the Company".

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.